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General

Foreign Ministry Spokesman Comments on Fang Lizhi

OW0301104390 Beijing XINHUA in English
1031 GMT 3 Jan 90

[Text] Beijing, January 3 (XINHUA)—A Chinese Foreign Ministry spokesman today said that "the recent rumors about the question of Fang Lizhi floating around abroad and overseas are speculations pure and simple."

The spokesman made the remark when asked to confirm a foreign press report that an agreement has been reached between China and the United States on the question of Fang Lizhi.

The spokesman said, "We have repeatedly stated that Fang Lizhi and Li Shuxian have violated the criminal law of China. The act of giving them refuge by the U.S. Embassy in China is an interference in China's internal affairs as well as a breach of the recognized norms of international law. It follows that this problem can only be solved according to the laws of China. The United States, on its part, is obligated to work for its settlement."

He said, "The only way out for Fang Lizhi and Li Shuxian is to plead guilty immediately and mend their ways so as not to alienate themselves from the people."

Articles Discuss Current Events in Panama

U.S. Policy 'Suffers'

HK0301111290 Beijing RENMIN RIBAO in Chinese
30 Dec 89 p 4

[Article by staff reporter Guo Weicheng (6753 0251 2052): "The United States Suffers Setbacks in Its Policy Toward Latin America"]

[Text] Mexico City, 27 Dec (RENMIN RIBAO)—The United States' invasion of Panama has been denounced by the vast majority of Latin American countries. This is an outcome not fully anticipated by President Bush. Now the Panama crisis has not been ended yet although General Noriega has been staying in the Vatican Embassy in Panama seeking political asylum. Now many Latin American countries are still sticking to their stand against the U.S. invasion of Panama.

On the day when the United States invaded Panama, President Bush phoned his counterparts in several influential Latin American countries, including Mexico, Brazil, and Argentina, to seek their "understanding and support" for the U.S. military operation. However, only the Salvadoran Government pledged its support for the U.S. invasion of Panama, while all other governments, parliaments, ruling and opposition parties, and the mass media throughout Latin America unanimously condemned the United States for invading. All of them agree that, "in picking up again the big stick policy that has long been hated and denounced by Latin American countries" and

invading a Latin American sovereign state, the United States has in fact invaded Latin America as a whole.

The Organization of American States [OAS] adopted a resolution to condemn the United States' invasion and to demand an immediate withdrawal of the U.S. troops from Panama, with 20 votes for, 6 abstentions, and 1 vote against (by the United States itself). This was the first time for the United States to find itself in such an isolated position within the OAS. Many Latin American countries have even declared that they would not recognize the Endara Government propped up by the United States. Peruvian President Garcia even announced that he would not attend with President Bush the "anti-drug summit" originally planned to be held in Colombia, until the United States withdraws its troops from Panama.

After assuming office in the White House, President Bush has partially readjusted his country's policy toward Latin America. He has been more inclined to open dialogue with Latin American countries, in handling his country's relations with Latin America and especially such major issues as debts, drugs, and regional peace and development. With regard to the debt issue, President Bush has put forth a "(Brady) program" which is based on the idea of reduction of debts; with regard to the anti-drug efforts, he has accepted the proposal put forth by Latin American countries which called for "inhibiting the stimulus of drug consumption on drug production," and has agreed to step up the anti-drug struggle in the United States and to support Latin America's fight against drug production and trafficking. In defiance of objections by some people at home, President Bush even attended the American summit proposed and sponsored by Costa Rica; he has decided to attend the Colombian "anti-drug summit" together with the heads of state of some South American countries; and he has promised to provide more aid to Latin American countries. The purpose of all these gestures is to improve the United States' relations with Latin American countries and thus consolidate its political influence in Latin America.

The United States' efforts in this regard had been quite effective. Due to the chaotic political situation at home, Panama found itself in an isolated position in Latin America and in the world. In addition, the deteriorating domestic economic situation had had tremendous mental impact on the Panamanian public. As a matter of fact, all these developments had given an impetus to the democratization process in Panama. However, the Bush administration ordered a military invasion of Panama at that moment. Now it appears that the U.S. Government has made a wrong calculation, being too optimistic about the situation. The United States invaded Grenada 6 years ago. Now that the United States is gradually mending its relations with Latin American countries, its invasion of Panama points out to those countries that the new master of the White House has not given up his predecessor's policy; that Latin American countries are still manipulated by others; and that the United States is still sticking to hegemonism in handling its contradictions and relations with Latin American countries. Peruvian President Garcia

noted: The United States' Latin America policy "has come to a dead end." The United States has not given up the tradition of power politics although the times have changed. So the Bush Administration will be facing more difficulties in its attempt to mend its relations with Latin American countries. The foreign minister of the new Panamanian Government propped up by the U.S. troops has announced that Panama will still require the United States to honor the "new U.S.-Panamanian canal treaty" and return the full sovereign rights of the canal on 31 December 1999; and that his government will never sign with any foreign countries any agreement with the aim of ceding part of its territory and sovereign rights, since no Panamanian Government can give up the claim for the control of the canal as a nationalist goal. The United States' invasion of Panama has seriously hurt its efforts to improve relations with Latin American countries. This is a political price, apart from the military price, that the United States had to pay.

Military Action Criticized

HK0301093590 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 1, 1 Jan 90 pp 30-31

[Article by Xu Boyuan (6079 0590 3220): "The Law of the Jungle Runs Wild Again"]

[Text] On the afternoon of 20 December, while discussing the Panamanian situation with several friends and arguing whether the United States would take any action there, I received the dispatches about the U.S. forces beginning to attack Panama. The dispatches of various news agencies kept coming: U.S. forces are attacking the headquarters of the Panama Defense Force; U.S. forces have occupied the headquarters of the Panama Defense Force; U.S. forces have occupied Panama City; the United States has offered a reward of \$1 million for the capture of Panamanian President Noriega....

The atrocity of such an armed invasion shocked the whole world and once again indicated that in recent years the United States has forgotten its painful lesson from its defeat in the Vietnam War and is again following the law of the jungle, in which the weak are the prey of the strong. It is now prone to bare its fangs and brandish its claws against the weaker nations.

In the spring of 1986, the United States dispatched warships and planes to raid Libya, a small country in the Mediterranean region. At that time, 33 planes were dispatched in the dead of night to bomb Libya's capital, Tripoli, into a sea of flames. One of the targets was the residence of Libyan leader al-Qadhafi. The task force left after the 30-minute raid.

In 1988, U.S. warships forced their way into the gulf, bombarding and destroying some Iranian offshore oil platforms and even downing an Iranian passenger plane. At that time, I was working in Iran and I rushed to the spot, witnessing this horrible scene: The sea was turned red by the blood of the victims, and sharks were vying

with each other in biting the human flesh which had been torn apart. The relatives of the victims were wailing with deep sorrow and pain.

Every time a military action is taken, the United States can certainly say something to justify it. However, who gave the United States this power? To put it bluntly, the United States dares to bully others because it thinks that its fist is strong enough. According to its logic, if I strike you, what can you do in return? In the jungle, no justice can be upheld among the beasts, and the weak can only fall prey to the strong.

Of course, we are living in human society, and the law of the jungle has been more and more strongly condemned. The international community expressed indignation at the recent U.S. military action against Panama and pointed out that this was an action in violation of the UN Charter and the norms of the international community. However, the United States simply ignored the protests of the international community and continued to act perversely. In its eyes, what can the United Nations do? If the United Nations does not comply with its wishes, it may even threaten to stop paying its membership contribution.

In recent years, detente has been frequently mentioned, but such events have still occurred amid the calls for detente. This is rather perplexing. If you say that the detente is false, it may not tally with the facts. The problem is that the detente remains rather limited. Power politics and hegemonism have not been uprooted. Third World countries still lack a feeling of security.

The realization of long-lasting peace in the world, in the final analysis, will still depend on the prosperity of Third World countries, the growth of the forces upholding justice, and the adoption of effective measures for forcing the superpowers to abide by the norms of the international community. It has been proved in history and will continue to be proved that aggressors may have their way for a time, but they will eventually be defeated and will eventually end up with thorough failure.

KYODO Reviews Asian Games Planning

OW0301063090 Tokyo KYODO in English
0406 GMT 3 Jan 90

[Text] Tokyo, Jan. 3 KYODO—The 1990 Beijing Asian games will be more than a regional sports event. Like many major sports events in Asia in recent years, the games also will wield many political implications.

Chinese authorities are working hard to restore the nation's image tarnished by the June 4 government crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square, political sources said.

China appears to want to follow in the footsteps of South Korea, which held the 1985 Seoul Asian games as a dress rehearsal for the 1988 Summer Olympics, sports sources said.

The games' slogan—"Asian games will bring honor to a nation and I will add a zest to the games"—demonstrates China's zeal to ease international scorn.

While China already has completed construction of two-thirds of the games' 33 facilities, it still needs technology and know-how needed to facilitate the games.

Zhang Baifa, vice president of the Asian games organizing committee, urged national support for success of the Asian games to be held September 22-October 7.

The games' total expenditures are expected to come to about 2.5 billion yuan, a sum difficult for China to raise alone, sources said.

Through economization and effort to bridge the international credibility gap, Chinese authorities say they are confident they can raise the funds.

The games also may provide a boost to efforts for rapprochement between China and Taiwan, separated since the Nationalist Chinese Government moved to Taiwan in 1949, sources said.

RENMIN RIBAO Yearender on Foreign Links

HK0301043590 Beijing RENMIN RIBAO in Chinese
28 Dec 89 p 7

["Yearender" by Zhang Wenjin (4545 2429 2516) and Han Xu (7281 0650): "May the Bridge of Friendship Be Still More Solid"]

[Text] In 1989, the People's Republic experienced an extraordinary year in its history and also a year in which our friendship with foreign peoples has stood some tests and continued to make progress. During the past year, the Chinese People's Association for Friendship with Foreign Countries invited and received nearly 200 groups of foreign friends from all five continents, sent nearly 30 delegations and teams of all kinds to visit other countries, organized more than 30 large-scale activities of various types, and met with thousands of foreign visitors who visited China informally. In addition, more than 10 pairs of Chinese and foreign cities concluded friendly relations.

This year, people-to-people foreign relations had the following characteristics: First, although the situation was affected by the 4 June incident, foreign friends still visited our country and nearly 100 groups of visitors came to China during the second half of this year. Many came to carry out professional inspections and exchanges. The visitors included professional delegations led by the chairman of the U.S. Cancer Society and the chairman of the Italian-Chinese Chamber of Commerce. During the National Day period, more than 10 friendly delegations from Korea, Japan, the Soviet Union, the United States, Togo, and other countries came to China. There was a larger number of foreign visitors in Beijing during the National Day period than in previous years. Second, our relations and friendships with Third World countries have been further strengthened. The number of African friends

visiting China increased markedly. A delegation from the Indian-Chinese Friendship Association headed by (Lat-ede) [2139 3676 1795], secretary general of this association and also a member of the Indian Parliament, visited China and the visit by these Indian friends showed the good intentions of the Indian people for developing friendly relations between the two countries. Thai Prime Minister Chatchai Chunhawan, an old friend of the Chinese people, once again visited China in the dual capacity of government head and chairman of the Thai-Chinese Friendship Association. He gave ebullient speeches at the receptions held by the Chinese People's Association for Friendship with Foreign Countries and the Chinese-Thai Friendship Association. This fully indicated the close and intimate relationship between the Chinese and Thai peoples. Third, while friendly relations with the people of Japan, Western Europe, North America, and Oceania continued to develop, we also further increased the exchange of visits with the Soviet Union and various East European countries along with the normalization of Sino-Soviet relations. A delegation composed of some old Soviet fighters and our old friends who had assisted China's revolution and construction in the past, visited China. The delegation was headed by Arkhipov and the visit to China manifested the traditional friendship between the Chinese and Soviet people. Fourth, there were a lot of commemoration activities this year. China celebrated the 40th anniversary of the founding of New China. This year also marked the 40th anniversary of the establishment of diplomatic relations with 10 socialist countries, including the Soviet Union, Bulgaria, Romania, Korea, Czechoslovakia, Hungary, and the GDR. It also marked the 50th anniversary of the death of the internationalist fighter, Dr Norman Bethune. The independence of Namibia won by the Namibian people through their prolonged struggle and the establishment of the Palestinian state brought extraordinary significance to this year's activities on "Namibian Day" and the "International Day for Supporting the Palestinian People." In addition, this year also marked the 35th anniversary of the founding of the Chinese People's Association for Friendship with Foreign Countries, which plays a role in promoting people-to-people relations with foreign countries. Fifth, party and state leaders have attached great importance to the development of nongovernmental foreign relations. The principal central leaders met with many foreign friends and personally took a hand in the work of developing people-to-people friendship with foreign countries. Many foreign friends were deeply moved and indicated that they would make greater efforts to further develop friendship with China.

Admittedly, the turmoil and the counterrevolutionary rebellion in Beijing as spring turned to summer this year brought a severe test to our work of developing people-to-people relations with foreign countries. Because some Western mass media issued misrepresented reports and fabricated rumors, an adverse current against China was evoked in the international community. This caused many new difficulties to the organizations and persons who had engaged in developing friendship with China for many years. Even so, the organizations and

personages working to develop friendship with China in most countries still maintained their faith in the friendship with the Chinese people and did not vacillate. Some friendship organization leaders sent us letters, showing their understanding of and support for the resolute measures by the Chinese Government in quelling the rebellion. Of more than 300 provinces and cities in foreign countries that had established friendly relations with various provinces and cities in China, over 80 percent were unaffected by the incident and maintained normal exchanges with the Chinese provinces and cities with which they had friendly relations. However, we also noticed that the adverse current indeed caused a certain psychological impact and pressure on some friendship organizations, cities, and friends in various circles, in some countries. In their letters and telegrams to the Chinese People's Association for Friendship with Foreign Countries, some foreign friends expressed their worries and lack of understanding. We then gave timely and patient explanations to them through various channels and clarified the true facts, thus preventing damaging the mutual understanding and friendship that the Chinese people had built up with various people's in the world through many years' efforts. This became a major task for the Chinese People's Association for Friendship with Foreign Countries in 1989.

On 28 June, in a letter to our foreign friends and organizations for friendship with China in various countries, the Chinese People's Association for Friendship with Foreign Countries pointed out the nature of the incident in Beijing and reiterated the Chinese people's intention of continuing to maintain and develop cooperation and exchanges with the organizations for friendship with China and friendly personages of all circles in various countries. Since July, group after group of foreign friends has been invited to China and they could see personally what had happened in China. They held in-depth talks with officials from the municipal government, university teachers and students, and soldiers from military units enforcing martial law in Beijing. They also watched video films about the rebellion and inspected the sites. Many foreign friends also directly listened to the explanations by Chinese leaders about the true facts of the incident. The multitude of factual data and vivid evidence cleared the suspicions in the minds of many foreign friends. They expressed respect for and understanding of the resolute measures adopted by the Chinese Government.

Facts after the 4 June incident show that there existed a profound foundation for supporting the friendship between the Chinese people and various peoples in the world. Such solid friendships, which have been cultivated over a long time, will be able to stand the test of any storms. This is not only manifested by the support and understanding of the people in various Third World countries but can also be evidenced by the clear-cut attitude of the Japanese friends in all circles who are determined to further advance Japanese-Chinese friendship. In August, Miyatokuma Utsu, chairman of the Japanese-Chinese Friendship Association, brought his son and grandson to

visit China and told Premier Li Peng that this was for the purpose of maintaining friendship between Japan and China generation after generation. When visiting China in September, Masayoshi Ito, chairman of the Parliament Alliance for Japanese-Chinese Friendship expressed full agreement with Chairman Deng Xiaoping's opinion that no matter what changes occur in the world, and no matter what changes occur in Japan or in China, the friendship between Japan and China must not and will not change. At the Fourth Sino-Japanese Non-Governmental Friendly Exchange Meeting, which was held in Tokyo last November, nongovernmental people from both sides fully exchanged opinions on ways to develop friendly exchanges and reached a consensus of opinion. Even in various European and American countries, there are still many, many friends who uphold friendship with China and can speak out from a sense of justice. A friend in the "British-Chinese Understanding" Association wrote in a letter to us that they were not aware of all the true facts, but they did know that with the support of the "free media," a counter-revolutionary force in China attempted to stir up trouble. An old friend of the American-Chinese Friendship Association said after visiting China, that he would do his utmost to tell people about the true facts after returning home although he might encounter some people's criticism and challenges. The Chinese people are deeply grateful for the valuable support given by foreign friends in various countries. Of course, we have also noticed that for various reasons some friends still hold different opinions on the incident in China. This does not matter. We will still treat them as our friends and believe that with the continuous development of reform and opening up in China, these friends will also reach a fair conclusion on their own. We believe that the coming 1990's will be a decade in which China's socialist modernization cause will be making substantial progress and China's nongovernmental foreign relations will flourish.

Soviet Union

Border Bridge Opens Near Dongning

SK3012083989 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 28 Dec 89

[Text] A highway bridge spanning (Hubutu) river was completed and open to traffic recently. The bridge links Dongning, an open outlet of China, with the (Shiyue) area of the Soviet Union. This is the first standard bridge in the border line between the eastern part of China and the Soviet Union. The bridge with a carrying capacity of 15 tons is 33 meters long and 15 meters wide. It will become a vital communications line in developing trade between China and the Soviet Union.

Northeast Asia

Yearender Discusses DPRK-ROK Dialogue

HK0301044190 Beijing RENMIN RIBAO
in Chinese 28 Dec 89 p 7

["Yearender" by staff reporter Xu Baokang (1776 1405 1660): "Dialogue Between North and South Korea Is Becoming Active, Situation on Korean Peninsula Is Relatively Stable"]

[Text] The year 1989 has seen relative stability on the Korean peninsula and the reactivation of North-South dialogue. To seek a peaceful solution to the Korean issue, North and South have held multilevel contacts and dialogues on easing political and military confrontation, discussing a declaration of mutual nonaggression and achieving cooperation and exchanges in many fields, as well as solving the question of reunion for separated families, and have made some progress.

Just before the New Year, in his "New Year Message," President Kim Il-sung sent invitations to the presidents of four ruling and opposition parties as well as noted figures from all walks of life in South Korea, proposing the holding of a North-South political consultative conference to discuss the proposal of achieving Korean reunification by the federal system. However, the South Korean authorities have not responded. Moreover, because the South Korean side persisted in holding the "Team Spirit 89" joint military exercises with the United States, the on-going or soon-to-be-held vice-ministerial talks, preparatory meeting of parliamentary delegates, and sports talks have either been postponed or produced no results. The visit to Pyongyang by Chong Chu-yong, a noted figure in South Korean economic circles, early this year ended with nothing definite.

Some time later, the Reverend Mun Il-hwan of South Korea visited Korea, and Im Su-kyong, representative of the "All-Korea Federation of College Students," went to Pyongyang to attend the 13th World Youth Festival. Both respectively discussed the major project of reunification with people from relevant quarters in the North. But their actions are regarded as "illegal" by the South Korean authorities and to date they are still detained. This has cast a new shadow over North-South relations. In the second half of this year, spurred on by the North, the North-South vice-ministerial talks and sports talks were restored one after another, and the preparatory meeting of parliamentary delegates, which had been suspended for 10 months, and the Red Cross work meeting, which had been suspended for 4 years, also started again. To date, both parties have held nearly 20 rounds of contacts or talks and have reached agreements on some issues.

There has not been such a situation since 1985. What has drawn people's attention is that, in the preparatory meeting of parliamentary delegates, the two parties have reached agreement on placing the question of discussing the "Declaration on Mutual Nonaggression" on the agenda of the parliamentary talks. This shows that, in the field of eliminating military confrontation, both parties have, at least in form, started to show flexibility. In the vice-ministerial talks, agreements have been reached on some issues about talks at the prime minister level. In sports, both parties have also reached many agreements on forming a unified team to attend the 11th Asian Games to be held in Beijing. The trend toward relaxation on the Korean peninsula has been universally well received. It should also be noted, however, that no impressive achievements have been attained in the current contacts and dialogues between North and South. There are reasons for

this. First, the United States has so far not given up its policy of interfering in the internal affairs of the Korean peninsula. Not only has it refused to withdraw its troops and military equipment from South Korea, but it has also attempted to isolate North Korea internationally. Second, the South Korean authorities have so far not given up their intention of creating "two Koreas," and they have even tried to "join the United Nations alone." In his "Reunification Program for the Korean National Community," No Tae-u has gone so far as to attempt to impose the existing system in South Korea on the North. On this count, President Kim Il-sung explicitly pointed out that Korea will persist in taking the socialist road, and reaffirmed that the question of Korean reunification does not mean one party swallowing up [chi diao 0676 2220] the other.

Public opinion here universally holds that, to enable the dialogue between North and South Korea to develop in a sound way and the situation on the peninsula to go on moving toward relaxation, it is first imperative to remove outside interference and let the Korean people independently solve their own problems.

XINHUA Analyzes Japanese Defense Budget

*OW0201134990 Beijing XINHUA Domestic Service
in Chinese 1641 GMT 29 Dec 89*

["News Analysis" by XINHUA reporter Jiang Zhanguo (1203 0594 0948): "A Simple Analysis of Japan's 1990 Budget"]

[Text] Tokyo, 29 Dec (XINHUA)—The Japanese Cabinet finally reached a decision on the 1990 budget in the small hours of 29 December. This government budget, which soars to more than 66 trillion yen, is a blueprint of Japan's revenues and expenditures next year. It includes a huge defense budget, which causes great disharmony.

The Japanese Government's 1990 budget totals 66,273.6 billion yen, an 9.7 percent increase over 1989. Moreover, the government will no longer issue bonds next year to make up for its deficits, thus ending the situation in which Japan, for the past 15 years, has relied on borrowing a part of internal debts to make up for expenditures. Most of Japan's revenues come from taxes. The huge budget indicates that the Japanese Government is optimistic that steady, high-speed economic development will continue next year. Japan has enjoyed sustained and steady economic development over the past few years, in fact another post-war economic boom with growth rates reaching 5 percent. The current development trend shows that next year's economic growth rate will not be lower than this year's, thus guaranteeing the fulfillment of the budget.

The 1990 government budget calls for large increases in expenditures for culture, education, science, social welfare, and government-sponsored development and aid compared with this year's figures. The total sum of these expenditures are substantial. However, the sharp increase in defense expenditures can only fill people's minds with misgivings.

Japan's 1989 defense budget stands at 3,919.8 billion yen. This huge figure is the world's third highest, behind that of only the United States and the Soviet Union. Meanwhile, the 1990 defense budget is 6.1 percent higher than this year's and stands at 4,159.3 billion yen; thus, Japan's defense budget exceeds 4 trillion yen for the first time. The 1990 defense budget exceeds last year's figure by 239.5 billion yen, while the total sum is doubled compared with a decade ago. According to the Japanese press, the government has prepared such a tremendous defense budget in order to carry out the "interim defense force reorganization and outfit plan" enforced since 1986. The sharp increase in next year's defense expenditures has satisfied the Self-Defense Agency's personages, who believe it very likely that the ambitious "interim defense force reorganization and outfit plan" will be carried out next year. At that time, the Japanese Armed Forces, which go by the name of self-defense force, will be equipped with advanced weapons, including P3C anti-submarine patrol planes, F-15 fighter planes, and SSM-1 surface-to-ship guided missiles, thereby forming a powerful fighting force.

The Japanese press point out: The current international trend is toward detente and away from tension and toward dialogue and away from confrontation. However, the government's action with regard to military expenditures goes far from the world trend. This also explains why some countries around Japan are justified in keeping a wary eye on Japan.

Southeast Asia & Pacific

Spokesman Discusses Sino-Vietnamese Relations

HK2812135689 Beijing ZHONGGUO XINWEN SHE in Chinese 1243 GMT 28 Dec 89

[Excerpt] Beijing 28 Dec (ZHONGGUO XINWEN SHE)—Foreign Ministry spokesman Jin Guihua said that no new progress has been made in Sino-Vietnamese relations. Jin made the above statement in answer to a reporter's question here today.

The spokesman stressed that the Cambodian issue remains a major obstacle in Sino-Vietnamese relations. The relations between the two countries will naturally be improved in the wake of the political settlement of the Cambodian issue. [passage omitted]

Near East & South Asia

Zhang Deliang Appointed Ambassador to Jordan

OW0301120590 Beijing XINHUA Domestic Service in Chinese 0816 GMT 30 Dec 89

[Text] Beijing, 30 Dec (XINHUA)—In accordance with a decision made by the National People's Congress Standing Committee, Chinese President Yang Shangkun appointed Zhang Deliang [4545 1795 5328] as Chinese

ambassador extraordinary and plenipotentially to the Hashemite Kingdom of Jordan.

Sri Lanka Rejects Indian Troop Withdrawal Deadline

OW0201173790 Beijing XINHUA in English 1705 GMT 2 Jan 90

[Text] Colombo, January 2 (XINHUA)—The Sri Lanka Government cannot accept New Delhi's newly announced deadline of March 31 for the complete withdrawal of Indian troops from the island, Presidential adviser Bradman Weerakoon said here today.

The presidential adviser on international affairs told XINHUA in an exclusive interview here that the Indian Peace Keeping Force (IPKF) in the country must "go immediately."

He said that a Sri Lankan delegation, led by Foreign Minister and State Minister for Defense Ranjan Wijeratne and including himself, will leave for India on Thursday to persuade India to accelerate withdrawal of its troops from Sri Lanka.

"We will try to find out what can be done and what more can be done (about the pullout of the IPKF)," Weerakoon said.

He noted that the Indian troops should leave the country "at least two months" before the summit meeting of the seven-nation South Asian Association for Regional Cooperation (SAARC) can be held in Sri Lanka.

The presidential adviser said that his government is prepared to hold the foreign ministers' meeting and the summit meeting of the SAARC on April 14-19 provided that the last of the Indian soldiers was out of the country.

The fifth summit of the SAARC, which groups Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka, was scheduled to be held in Colombo last November, but Sri Lankan President Ranasinghe Premadasa said that Sri Lanka would not host the meeting as long as the IPKF was present in his country.

When asked what the Sri Lankan Government would do if India refused to pull out its troops as early as possible, Weerakoon replied, "I don't think they would refuse."

The Indian Government has said they will withdraw the IPKF from the north and east Sri Lanka as quickly as possible, he said.

India has agreed to pull out its troops from the country by December 31, 1989 in line with an agreement between the two countries.

However, the Indian troops still remain in Jaffna and Trincomalee districts in the north and east.

Weerakoon said that the Sri Lankan Government is "disappointed" at this.

He said the IPKF was sent into the island nation to bring peace to the north and east by disarming all militant Tamil groups, including the most powerful Liberation Tigers of Tamil Eelam (LTTE).

"However, they could not do it," he said. "They could not disarm the LTTE."

Weerakoon said that the LTTE has agreed to cease fire with the government, so it is not necessary for the Indian troops to remain in Sri Lanka. "The IPKF should go," he said.

Sub-Saharan Africa

Ugandan President Receives CPC Delegation

OW2912103689 Beijing XINHUA in English
0724 GMT 29 Dec 89

[Text] Kampala, December 28 (XINHUA)—Ugandan President Yoweri Museveni received here today the visiting Chinese Communist Party (CPC) goodwill delegation at state house in Entebbe.

The president, who is also the chairman of the ruling National Resistance Movement (NRM), had a cordial and friendly talk with the Chinese delegation led by Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee.

They exchanged views on international issues and matters of common interests.

Moses Kigongo, vice-chairman of the NRM, also met with the Chinese delegation this morning.

Eriya Kategaya, the first deputy prime minister and a member of the National Executive Committee of the National Resistance Council, held talks yesterday with Jiang Guanghua.

Both sides agreed to establish contact between the NRM and CPC and to strengthen cooperation and exchange of friendly visits between the party and the movement.

The delegation arrived here last Sunday and is scheduled to leave here for home tomorrow.

CPC Presents Gifts to Congolese Labor Party

OW3012024789 Beijing XINHUA in English
0141 GMT 30 Dec 89

[Text] Brazzaville, December 29 (XINHUA)—The Communist Party of China Friday presented to Congo's Labor Party (PCT) 1,000 sets of T-shirts and pants to congratulate its 30th birthday.

The gifts were presented by Chinese ambassador to Congo, Wu Shunyu, to PCT's Politburo member and Exterior Relations Department Chief Andre Obami-Itou.

"The gift is modest, but it is the gesture of friendship of more than 40 million Chinese Communist Party members. There exist excellent relations between the two parties, which are based on independence and autonomy, complete equality, mutual respect and non-interference in each other's internal affairs," said Wu.

Obami-Itou asked the ambassador to give thanks from Congo's President and PCT Chairman Denis Sassou-Nguesso to General Secretary Jiang Zemin of the Chinese Communist Party for the gift. "We will continue to reinforce our relations and we wish the Chinese people happiness and prosperity on this occasion," said Obami-Itou.

Latin America & Caribbean

Ecuador Hails Bilateral Ties Anniversary

OW0201214490 Beijing XINHUA in English
1917 GMT 2 Jan 90

[Text] Quito, January 2 (XINHUA)—To mark the 10th anniversary of the establishment of diplomatic ties between Ecuador and China, Ecuadoran president and foreign minister sent to their Chinese counterparts messages of congratulations and best wishes for enhanced bilateral relations.

President Rodrigo Borja, in his message to Chinese President Yang Shangkun, said that on the 10th anniversary of the establishment of diplomatic relations between Ecuador and China, "I am convinced that the ties of friendship and cooperation that join us will strengthen further in the future."

Sending his cordial greetings to Chinese Foreign Minister Qian Qichen, Foreign Minister Diego Cordovez expressed his best wishes that the relations of friendship and cooperation between the two peoples and governments would be strengthened in the future.

Diplomatic relations between the two countries were established on January 2, 1980.

Consular Relations With Latin America Develop

OW2912152189 Beijing XINHUA in English
1100 GMT 29 Dec 89

[Text] Beijing, December 29 (XINHUA)—China has signed agreements on establishing consulates or consulates general with eight Latin American countries, according to the Chinese Foreign Ministry here today.

China signed with Cuba an agreement on establishing consulate general in each other's country on June 8, and signed with Colombia an agreement on establishing consulates in each other's country on November 8.

Other Latin American countries having such relations with China are Ecuador, Brazil, Mexico, Chile, Bolivia and Argentina.

Political & Social

Further on Reported PLA Full Alert

Leadership Meetings Cited

HK0301092690 Hong Kong TANG TAI in Chinese
No 6, 30 Dec 89 pp 7-8

[Article by He Po-shih (0149 0130 2457): "The Army Across the Country is on Top-Grade Alert Following Drastic Changes in Romania"]

[Text] The top CPC leadership has been surprised by the drastic changes in Romania. Earlier, the leaders of the two countries appreciated each other and pledged to support each other in "defending socialism." While these generous words were still fresh in memory, they suddenly performed a play of the fox mourning over the death of the hare.

To avoid following the same disastrous road of Romania after the downfall of Ceausescu, the CPC issued an order to the Army to be on top-grade alert nationwide to guard against "turmoil."

According to a well-informed source, the Standing Committee of the CPC's Political Bureau and the Central Military Commission respectively held meetings earlier to discuss the situation in Romania. Instead of drawing experience from the downfall of Ceausescu and conforming to the will of the people, they reached the following conclusions from the Romanian situation: First, the current uprisings of the Romanian people could succeed because the Romanian Army rebelled against Ceausescu; otherwise, the situation would not be so grim even if the people had superpowers. Second, as the news will spread to China sooner or later, they had better soothe the popular feeling. Moreover, they can avoid being further isolated internationally by taking a positive reaction at an early date.

Following the downfall of Ceausescu, it has been reported that the CPC took an open action and made a secret arrangement. The "open action" refers to openly and indirectly recognizing the new Romanian government, saying that China respects the choice of the Romanian people (there is another article in this issue analyzing the attitude of the CPC in this regard). The "secret arrangement" refers to issuing an order urging the whole Army to be on top-grade alert. This decision reflects the fear of the CPC. If popular feeling runs high under this mentality of fear, will the CPC repeat its mistake and once again resort to massacre? This is a matter of common concern of the Chinese and the people around the whole world. We should heighten our vigilance and promptly stop this from happening.

The Generals at All Levels Are Ready To Go Into Action

The "top-grade alert" refers to "with the order issued by the Central Military Commission, senior generals of the

whole Army, the Central Military Commission, all military regions, and officers at above army level should seek unity of thinking and go into action" to attack the enemies. At this moment, round the clock service should be maintained for the Army's internal telephones. Different from ordinary telephones and special telephones (for offices to directly contact the central authorities), the communications network and quickness of the Army's internal telephones cannot be interrupted by outside factors. The generals at all levels are ready to receive orders to go into action. Moreover, there are at least 10,000 troops in every large city who have been issued ammunition and are prepared to take action at any moment. According to the requirements of top-grade alert, when there is a turmoil, the Army should protect key institutions such as residences of high-ranking government officials, municipal government buildings, radio and television stations, telegraph bureaus, and important communications lines.

According to news from the Army, during "top-grade alert," the adaptability of the headquarters must be stressed and the organs of the headquarters are required to react quickly, work out reserve plans, and deal with peacetime and wartime situations accordingly. In this way, effective command can be guaranteed under any sudden event. The Army also received orders to take note of the "confrontation," "probability," and "urgency" of the sudden events. The Army can simplify the procedures of policy decisions when necessary to ensure flexibility and effectiveness of action.

Top-grade alert has been stepped up particularly in Beijing, because it is the heart of the country where a large-scale people's movement took place. According to an insider, 20,000 troops of the Beijing Garrison Command received a circular, urging them to get their things ready for orders. Because of the experience of the people's movement on the previous occasion, however, the top CPC levels believe that it would be impossible to maintain stability of the situation in Beijing by merely relying on the Beijing Garrison Command. Hence, they notified eight armies of the Beijing Military Command (including the 38th Army garrisoned in Baoding and the 27th Army garrisoned in Shijiazhuang) to be ready for orders. In light of the requirements of the central authorities, "there should be at least 4,000 troops in Zhongnanhai at the most critical period."

Beijing Develops Special Forces

To enhance the forces "against turmoil" in Beijing, the authorities have decided to select 20,000 men from among the martial law command to settle down in Beijing and set up a "special police force" to reinforce the Beijing Garrison Command.

Regarding the situation in Beijing, the departments concerned have stressed peacetime work. Since the 4 June incident, the Beijing municipal party committee has summed up the experience they believe they ignored in the past, that is, "the flagging sense of national defense

of a number of people constitutes an essential reason for the current counterrevolutionary rebellion." As the people "do not understand how to support and cherish the Army" and "some masses still have confused understanding of the martial law troops entering the capital following the 4 June disturbance," Beijing Municipality has recently decided to set up a "national defense education leading group" with Chen Xitong as its head. Apart from urging the legislative departments to make feasibility study of legislation concerning national defense education and urging the Ministry of Finance to allocate funds for national defense education, the leading group focused attention on educating the inhabitants of Beijing not to resist the Army. While "educating" the masses, they tried to intimidate them by frequently stressing punishment against damage done to military equipment. Chen Xitong said: "If a cadre has done a good job of national defense education, his achievements will be placed on record for his promotion in the future."

Since Beijing is the focus of the problem, why does the CPC want to exercise a top-grade alert nationwide? According to the insider, the CPC indeed learned a lesson from the experience of Romania. Although the "turmoil" took place in Timisoara, far away from the capital, the pace of its development should not be underestimated. If "turmoil" takes place somewhere, the best method is to quell it as quickly as possible to avoid a prairie fire started from a single spark. Moreover, once the turmoil spreads to all parts of the country, it would also be difficult to transfer the 3 million regular troops (of which the ground force totals only 2.3 million). For this reason, the Army of the whole country is on top-grade alert. Trouble stirred up anywhere will be "quelled" on the spot so as to prevent it from affecting the overall situation.

The 27th Army Was Stormed

However, the CPC did not underestimate the force that burst out from people's anger. According to the insider, not long after the 27th Army quelled the people's movement in Beijing, the angry masses stormed its garrison in Shijiazhuang. Very few people know about this incident. With the two divisions 80 and 81, the 27th Army belongs to the 3d Field Army system. It is good at storming heavily fortified positions and fighting amphibious battles. Chief of the General Staff Chi Haotian was once political commissar of the 27th Army. Even though the 27th Army enjoyed a reputation and was the main force of the Yang clan, people dared to storm its organs. This shows that the people are no longer afraid of death in displaying their might.

For this reason, the CPC fell into a panic and hastily ordered the Army nationwide to be on top-grade alert. In light of our observance and judgement, and our contacts with relevant personages, however, there is no source of turmoil though the people showed their resentment against the government. In fact, the authorities do not

have to pretend to be serious as if faced with a formidable enemy. They should give up the idea of killing people the second time.

Work Conference Reviewed

HK0301063790 Hong Kong TANG TAI in Chinese
No 6, 30 Dec 89 pp 6-7

[Article by Wan Li-hsing (8001 6849 5887): "New Ploys of the CPC for Tightening Control Over the Army"]

[Text] In view of the drastic changes in the East European situation and especially in the Romanian situation, the CPC more firmly believes in resorting to force. In order to take precautions against eventualities at home and to prevent the appearance of an embarrassing situation similar to that in Eastern Europe, the communist party must have tight control over the army. Therefore, the CPC convened an "all-army political work conference" from 11 to 17 December in hopes of tightly controlling the Army through political and ideological work.

The meeting first relayed the CPC central leadership's opinion on the question of "whether the drastic changes in Eastern Europe will occur also in China." It is said the opinion was based on the opinion put forward by the "retired" leader, Deng Xiaoping, in a talk to members of the Political Bureau Standing Committee. He held that the drastic changes would not occur in China. (The factors he cited to support his argument were revealed by Jiang Zemin when he met with a visiting journalists delegation from Hong Kong, so these need not be mentioned here.)

The meeting considered the nature of the changes in the East European countries to be "the peaceful evolution plotted by the international bourgeoisie for a long time." The meeting also linked the events in Eastern Europe with the June 4th incident in China, and highly valued Deng Xiaoping's thesis concerning "the major climate and the minor climate." The meeting pointed out that the most important task for the Army at present is to resist and eliminate the influence of bourgeois liberalization on the troops. The meeting summarized the demonstrations of liberalization in the Army into two points: —Some people maintained that the Army should be separated from the party, and some people called this idea "nonpartisanizing the Army" or "changing the Army into a state apparatus or into a tool of the republic." —Some people held that the Army should be "depoliticized," that is, the Army should not interfere in politics and should become neutral in political affairs.

The Central Military Commission holds that without thoroughly criticizing these viewpoints, the party will not be able to exercise "absolute leadership" over the Army, and it will be possible for changes similar to those in Eastern Europe to also occur in China.

The meeting held that due to the changes in Eastern Europe, China is now facing a new situation, in which "the international hostile forces are intensifying the pursuit of their strategy for bringing about peaceful evolution in our country, and are taking our Army as a major target of infiltration in an attempt to change our Army's nature." On the other hand, the June 4th Incident in Beijing showed that "the antagonism and struggle between the four cardinal principles and the ideological trend of bourgeois liberalization will exist throughout the whole process of realizing the four modernizations and carrying out the reform and opening up policy, and the Army will also be exposed to the influence of bourgeois liberalization to different degrees although the Army has been waging firm struggle to resist bourgeois liberalization."

Under these circumstances, in order to prevent the appearance of a situation similar to that in Eastern Europe, the Army must ensure the following two points: First, it must always keep itself politically up to standard; and second, it must always be subject to the party's "absolute leadership." These two points also represented the spirit of the "all-army political work conference."

As for "always keeping the Army politically up to standard," the meeting relayed the criteria for "being up to standard" laid down by Deng Xiaoping: To be "ideologically up to standard," the Army must be loyal to the party, to the state, to socialism, and to the people; to be "up to standard in action," the Army must be effective and efficient in defending the state's independence and sovereignty, the socialist cause, and the line, principles, and policies formulated by the party since the 3d Plenary Session of the 11th CPC Central Committee.

As for guaranteeing the party's "absolute leadership" over the Army, the meeting pointed out: "It is necessary to firmly resist and oppose the erroneous ideas and tendencies of separating the Army from the party and depoliticizing the Army. The fundamental principle of maintaining the party's absolute leadership over the Army must be firmly implemented. At any time, the supreme power to lead and command the Army must be concentrated in the hands of the party central leading body and the Central Military Commission. The political commissar system, the political institutions in the Army, and the existence of party branches in all companies must be firmly maintained."

In addition, the meeting also laid down the following new regulations:

- Without the approval of the relevant political institutions, no members of the Army are allowed to join other parties or various religious organizations;
- no organization can be founded inside the Army beyond the limits prescribed by various military rules and regulations;
- no soldier is allowed to join civilian mass organizations without authorization;

—other parties and mass organizations are not allowed to set up branches inside the Army or carry out activities inside the Army;

—special attention should be paid to the performance of military cadres in the course of "quelling the counter-revolutionary rebellion" when they are to be promoted.

The meeting also put forward a new viewpoint which has never been heard of before. It was said that aside from the function of resisting foreign aggression, the Army also has to perform another "internal" political function, that is, to prevent subversion at home. The meeting pointed out: The Army should carry out the tasks given by the party, including the task of resisting the foreign enemy's aggression and preventing the enemy's internal subversion. That is to say, as an armed group for carrying out the party's political tasks, the Army will not only have to fight against the enemies carrying weapons and operating in broad daylight, but will also have to join the struggle against peaceful evolution and subversion. "If some eventualities occur and if the public security system's strength is inadequate to cope with the situation, or if the problems cannot be solved by administrative and legal means, it is a matter of course that the party central leading body, the State Council, and the Central Military Commission will make the decision to put the Army to use." This not only "justified" the use of the Army to massacre innocent civilians in the June 4th incident, but also explicitly indicated that henceforth, the Army would not only be used to resist foreign enemies, but would also be used to subdue people at home who demanded freedom and democracy. This viewpoint was put forward for the first time in the past nearly 70 years since the communist Army was founded, and it thoroughly broke the tradition of the army "keeping relations with the people as close as fish and water." From the new proposition, it is not hard to find that the nature of the People's Liberation Army has begun to change—it is becoming a tool of the rulers for reining in the people. After the Army opened fire on the people and suppressed the people in the June 4th incident, many people were worried that the nature of the People's Liberation Army would change. It seems now that such a change has become reality.

The meeting adopted a document entitled "Several Issues in Strengthening and Improving the Political Work in the Army Under the New Situation." The document included the above-mentioned points and took them as principles. This showed that in order to prevent the democratic movement in Eastern Europe from affecting China, the CPC intended to adopt military measures to deal with the people's demand for democracy.

The document on "Several Issues in Strengthening and Improving the Political Work in the Army Under the New Situation" included 10 parts, and their contents are as follows:

1. Soberly recognize the new situation and the fundamental task of guaranteeing that the Army will always be politically up to standard.
2. Maintain the position of political work as the Army's lifeblood, and bring the political advantages of the Army into full play.
3. Maintain the party's absolute leadership over the Army, and make great efforts to strengthen party organizations at various levels.
4. Give prominence to and effectively conduct education in upholding the four cardinal principles and opposing bourgeois liberalization, and always maintain the Army's firm and correct political orientation.
5. Firmly keep the objective of training revolutionary soldiers into people with lofty ideals, moral integrity, education, and a sense of discipline, and enhance the moral and ideological quality of cadres and soldiers.
6. Select and promote cadres strictly according to the principle of giving consideration to both political integrity and professional ability, and ensure that the guns are always held by politically reliable people.
7. Attach great importance to the struggle against corrosion, and consolidate the socialist ideological and cultural position among the troops.
8. Maintain the principle of keeping unity between officers and men and between the Army and the people, maintain and develop good internal and external relations.
9. Uphold materialist dialectics and increase the effectiveness of the ideological work.
10. Improve the political work under the premise of strengthening it, and make innovations while ensuring its continuity.

Jiang Zemin Gives Party Building Speech 29 Dec
OW2912144989 Beijing XINHUA in English
1431 GMT 29 Dec 89

[Text] Beijing, December 29 (XINHUA)—The Communist Party of China (CPC) should have a full understanding of the historic task facing it, party General Secretary Jiang Zemin said here today.

Whatever changes the world may see, Jiang said, the party will always focus its work on economic construction, adhere to the four cardinal principles and the policy of reform and opening to the outside world, and continue to promote the cause of developing socialism with Chinese characteristics.

"The CPC and China are at a critical period, and we should continue to keep the domestic political situation stable, Jiang told a symposium on party building.

In a discussion with participants to the symposium, Jiang said that a series of complicated problems remain to be resolved in pushing forward the country's socialist modernization drive.

The fight against bourgeois liberalization is also a long-term and strenuous task, Jiang told the symposium,

jointly sponsored by the CPC Central Committee's Propaganda Department, Research Center, Organization Department and Central Party School.

Also joining in the discussion were Standing Committee members of the Political Bureau of the CPC Central Committee Li Peng, Qiao Shi, Yao Yilin, Song Ping and Li Ruihuan.

The most important issue connected with party building is that the CPC must be built up into a vanguard of the working class armed with Marxism-Leninism and Mao Zedong Thought, Jiang said.

The vanguard must be a core capable of leading the peoples of various nationalities in China to build socialism with Chinese characteristics, Jiang said, adding that this is the basic guideline to be followed in party building at the present time.

The CPC is strong and powerful, the general secretary said, and this has been further proven by the crackdown on anti-government rioting in June and the smashing of the efforts by hostile foreign forces to foist on China a so-called peaceful evolution.

Nevertheless, the laxity in ideological preparation, organization and style inside the party is still quite serious, he said. Therefore, the party should be strictly disciplined and the fighting capability of the party fully promoted.

As a party in power, the CPC should consolidate its will to lead and improve its ability to rule, Jiang said.

China's constitution stipulates that the organs of state power at various levels including administrations, people's congresses and judicial departments should accept the CPC's leadership.

Yet, the general secretary went on, the party itself is not such an organ and it should by no means usurp the functions of the organs of state power.

Jiang pointed out that the restructuring of the political system, which should be carried on, must be beneficial to strengthening the CPC's leadership, and not undermine or weaken that leadership.

The multi-party co-operation system and political consultation system led by the Communist Party should remain unchanged, Jiang said, since that is a political system with Chinese characteristics.

Priority should be given to ideological education in party building, Jiang stressed. At present, education in Marxism-Leninism and Mao Zedong Thought, education in the party's basic line and in elementary knowledge about the party should be systematically carried out among all CPC members.

All CPC members could be equipped with the ideological weapons of criticism and self-criticism, and carry out active ideological struggles, Jiang said, noting that this is the basis of party building.

Democratic centralism is the CPC's basic organization principle, and it is an essential guarantee for the realization of scientific and democratic decision making, he said.

The rampant corruption which has come to public notice in recent years has aroused the discontent of the masses, Jiang said, and effective measures should be adopted to resume the close ties the party once maintained with the masses of the people.

He stressed that the party should trust the masses of the people and depend on them absolutely. It should at the same time be always aware of its responsibility for their welfare. Bureaucratism, subjectivism and commandism should be resolutely opposed and overcome, he said.

In addition, the principle of making the ranks of the party cadres more revolutionary, younger, better educated and more professionally competent should be adhered to, he said.

To ensure that leadership of the party and government organizations at all levels is grasped by those faithful to Marxism, he said, political awareness is the most important requirement for selecting cadres.

Jiang Zemin, Li Ruihuan Attend Beijing Opera

OW3112234589 Beijing XINHUA Domestic Service in Chinese 1607 GMT 30 Dec 89

[By reporter Shao Jianwu (6730 1696 2976)]

[Text] Beijing, 30 Dec (XINHUA)—It is a chilly winter evening at the end of the year, but the Huaiyuantang Hall in Zhongnanhai is bustling with activity. Jiang Zemin, Li Ruihuan, and other leading comrades from among the central authorities today are joining in the capital's soiree to usher in the New Year. They happily gather under the same roof as masses from all circles to watch the performance of Troupe No. 1 from the Beijing Opera Theater.

The seriocomic "Bridge Broken," the healthy atmosphere of "Red Mulberry Town," the free and easy "Borrowing an Easterly Wind," the impassioned, moving, and tragic "Xishi," the enlightening "Harmony Between the General and the Prime Minister," and the superb acting of Tan Yuanshou, Mei Baojiu, Wang Shufang, Yan Guixiang, Zhang Xuejin, and other noted actors have repeatedly brought down the house. Jiang Zemin, Li Ruihuan, Ding Guangen, Gu Mu, and other comrades watched the performance while continually commenting in low voices on the plot and acting of each play. Comrade Jiang Zemin says: "Beijing opera is the cream of Chinese national culture. We must support the development of Beijing opera as an art."

When the performance concludes, Jiang Zemin, Li Ruihuan, and other comrades step onto the stage to shake hands with the actors and staff and exchange New Year greetings with them.

Also watching this evening's performance are Wang Ping, Chen Xilian, Duan Junyi, Huang Hua, Ren Jianxin, Rong Gaotang, and He Jingzhi.

Li Peng Addresses Planning Conference

OW2712050789 Beijing XINHUA Domestic Service in Chinese 1057 GMT 26 Dec 89

["Invigorate the Spirit, Enhance Confidence, and Strive to Do the 1990 Economic Work Well—Excerpts of Premier Li Peng's Speech at the National Planning Conference"—XINHUA headline; place and date not given]

[Text] Beijing, 26 Dec (XINHUA)—The No. 1 issue of 1990 of QIUSHI magazine, which is to be published soon, will carry the full text of Premier Li Peng's speech at the closing of the national planning conference, entitled "Invigorate the Spirit, Enhance Confidence, and Strive to do the 1990 Economic Work Well." Excerpts follow.

I will concentrate on three questions.

1. Further Unify Thinking and Action with the Spirit of the 5th Plenary Session of the 13th CPC Central Committee

The 5th Plenary Session of the 13th CPC Central Committee, after making a comprehensive analysis of China's current economic situation, made the decision to further improve the economic environment, rectify the economic order, and deepen reform. In the course of transmitting and studying the documents of the plenary session over the past 2 months, leading cadres at various levels have gained a better understanding of the importance of economic improvement and rectification. They share in the consensus that implementation of the Central Committee's "decision" is the correct approach to overcome economic difficulties and achieve sustained, steady, and coordinated growth of the national economy. All localities and departments have implemented the guidelines of the plenary session in the light of the reality in the respective locality or department. This should be the important ideological basis for doing the economic work of 1990 well.

Through the endeavors over the past year or so, more tangible results have been achieved in improving the economic environment, rectifying the economic order, and deepening reform in China, and the whole economy is moving in a healthy direction. This is manifested prominently in the following aspects: The economy, which had been overheating for several years in a row, has begun to cool; judging from the situation in the country and the year 1989 as a whole, the excessive high industrial growth of the previous years has dropped to a more rational level; a better harvest has been reaped in agricultural production; the growing demand in investment and consumption has somewhat subsided; the scale of bank loans and currency in circulation has been effectively controlled, and there has been a fairly big

increase in savings deposits by urban and rural residents; the monthly retail price rise has dropped, and some commodity prices have even dropped after remaining stable for some time, thereby basically dispelling anxieties regarding price rises among the broad masses of people. These facts prove that the series of measures for economic improvement and rectification taken by the Central Committee and the State Council, focused on curbing demands and readjusting structure, have already produced and will continue to produce positive results.

We should neither underestimate nor overestimate the initial successes achieved in economic improvement and rectification, but should recognize that a few basic factors causing inflation have not been eliminated and that some deep-rooted problems affecting economic stability, such as that of total demand outstripping supply and of irrational production structure, have not been fundamentally resolved. In the process of solving old problems, new contradictions have emerged. They are evident mainly in a sluggish market, a shortage of funds in various localities and enterprises despite the large amount of currency in circulation, an excessive drop in the industrial growth rate, and an increase in the number of people awaiting employment in recent months. We might as well say that there are both gratifying and disturbing factors in the economic situation. The national economy as a whole has developed along a healthy course. However, it is necessary to point out that economic improvement and rectification are entering a very difficult stage.

Next year will be a crucial year in improving the economic environment, rectifying the economic order, and deepening reform. This is because, first of all, 1990 will be a year with difficulties in all areas coming at the same time—repayment of domestic debts will enter a peak period while repayment of principal and interest of foreign debts will increase. With enterprises yet having to achieve a marked increase in economic efficiency, the drop in the industrial growth rate will affect state financial revenues. In addition, factors will increase expenditures and decrease state financial income. Second, long-standing problems and new contradictions will probably continue to coexist in 1990, and thus aggravate the complexity and difficulty of economic improvement and rectification. Third, 1990 will be a turning point in improving the economic environment and rectifying the economic order. Whether the Chinese economy will really develop in a sustained, steady, and coordinated manner depends basically on whether, under the premise of firmly cutting back total social demand, there will be a conspicuous improvement in the economic structure and increased economic efficiency. We must succeed in readjusting structure and improving efficiency, a task which is much more difficult than that of cutting back demand and slowing the growth rate. Otherwise, we will not only fail to alleviate the long-standing contradiction of total social demand outstripping supply but also fail to solve the newly emerging contradictions. This means that China's economic improvement and rectification

will enter a stage of tackling most difficult problems in 1990. The economy is the foundation while political affairs are the concentrated manifestation of the economy. To ensure a good job in doing the 1990 economic work is of utmost importance for stabilizing the overall economic situation. Provided a successful job is done in economic work, we will be able to further improve the economic environment, rectify the economic order, and deepen reform, thereby gradually transforming the entire situation in economic work from a passive to an active one.

There are two different approaches in handling difficulties in economic improvement and rectification. One is to retreat, by halting economic improvement and rectification and abandoning the "double tightening" policy; the other is to advance, by steadfastly improving the economic environment and rectifying the economic order while paying attention to studying the new circumstances, overcoming the new difficulties, and solving the new problems, thereby steadily promoting economic work. The first approach will not only make us fail to solve the existing problems but also allow inflation to continue, the economic structure to aggravate, and the economic order to become even more chaotic. The second approach requires us to make painstaking efforts, pay a certain price, endure considerable pains, and go through a difficult process. However, this approach will be able to facilitate the gradual elimination of unstable factors in the economy, extricate the entire economy from its predicament, and enable it to embark on a healthy cycle. We should draw lessons from historical experience and guard against repeating the vicious cycle of "tightening, relaxation, and inflation."

We should recognize the favorable conditions for surmounting difficulties. We have scored tremendous successes in construction and reform over the past decade. The national economic strength has increased and urban and rural residents have markedly improved their livelihood. There is great potential in all fields. The key to overcoming difficulties lies especially in the mentality of the leading cadres at all levels, that is, in whether they can lead the broad masses of people in actively resolving problems and doing a good job. We should unify thinking and action with the spirit of the 5th Plenary Session of the 13th CPC Central Committee, face up to problems while invigorating the spirit, and do our job earnestly to surmount the existing difficulties.

Several Particular Tasks to Be Carried out in 1990

The tasks of the 1990 economic work are complicated and arduous. The general guidance principle is, in accordance with the spirit of the 5th Plenary Session of the 13th CPC Central Committee and under the premise of maintaining social stability, to further advance toward the goals set by the Party Central Committee, and to improve the economic environment, rectify the economic order, and deepen reform. All plans and all economic work should really reflect the demand of exercising frugality for a few years and should provide

meticulous overall arrangements. While improving the economic environment and rectifying the economic order, we should focus reform on economic improvement and rectification and, on the basis of preserving the stability and continuity of policies, improve and enrich the various reform measures so as to serve the goals of economic improvement and rectification. Party committees and governments at all levels should properly handle these relations and arrange the work in various fields. They should also effectively apply, and select a good opportunity for launching measures for improving and rectifying the economy and deepening reform so as to win ample understanding and support from the masses of people. Judging from the current situation, we should pay particular attention to carrying out the following crucial tasks in 1990.

Strengthen agriculture effectively and strive to win a good harvest of grain, cotton, and other major farm produce. This is of decisive importance for stabilizing the entire economy. To ensure a successful job in agriculture, it is necessary to seriously implement the various policies and measures laid by the party Central Committee to strengthen agriculture. In 1990, both the central and local governments should increase the input in agriculture. The state has already decided in its plan to increase the investment in agriculture, with reliable sources of funds guaranteed. To ensure a good job in agriculture is a major task of the whole party and the people. It is hoped that local governments at all levels will allocate as many funds as possible to agriculture, and that the proportion of such funds allocated by local governments will be larger than those allocated by the central authorities.

Good results have been achieved in specialized undertakings dealing with chemical fertilizers, farm chemicals, plastic films for farming use, and other means of production, and we should keep up the good work. All localities should give priority to supplying energy, arranging transportation, and supplying funds to industries catering to agricultural production, and should strive to keep prices stable. Quantities of chemical fertilizers and diesel oil used by the state for the contract purchase of grain have remained unchanged, and prices of these materials have also been kept stable. The State Council has made a decision to invigorate agriculture through promoting science and technology. The point now is to implement the decision. Governments at all levels should mobilize and organize agrotechnicians to work in rural areas, and should provide full monetary and material support to invigorating agriculture. They should further stabilize and improve the system of contracted responsibilities on a household basis with remuneration linked to output, develop various kinds of agricultural service systems, and gradually establish and improve the two-tier management system. By doing so, we can maintain peasant enthusiasm as well as bring out the advantages of collective economy. In localities where conditions are ripe, peasants may do farming work on a fairly large scale if they desire to do so. Township and village authorities

should earnestly organize and lead collective economic activities and service systems of various kinds; on the other hand, collective economy should become the foundation for consolidating township and village regimes. We should encourage development of town and township enterprises in accordance with the principle of adjusting, consolidating, reforming, and improving, and should affirm the role played by town and township enterprises. These enterprises are an important form of economic activity for developing rural economy, improving production conditions in rural areas, and increasing employment opportunities in rural areas. Some unhealthy practices by town and township enterprises should be corrected, and the positive side of these enterprises should be protected and supported. The important thing is to ensure that town and township enterprises carry out the state's industrial policies, improve product quality, reduce material consumption, and cater to market demands. Banks at all levels should provide appropriate amounts of operating funds to town and township enterprises in 1990.

Developing agriculture is not only the job of agriculture departments, but also a matter requiring the joint efforts of the whole party, the whole nation, and all sectors of society. People of all industries and professions across the country should be mobilized to support agricultural production. We should strive to achieve in 1990 a better agricultural harvest than the one we achieved in 1989, and strive to end the agricultural stagnation that has lasted for several years.

We should take active measures to ensure that industrial growth is maintained at an appropriate level. The purpose of the improvement and rectification program is to reduce the excess growth in industrial development. However, at the same time, we should strive to maintain industrial growth at an appropriate level. Neither excessive nor inadequate industrial growth is good. The central and the local authorities as well should take effective measures, strengthen their leadership, and do their best to cope with difficulties and problems currently facing industrial production in order to ensure that industrial production will gradually increase and develop steadily. Our aim is to increase total industrial output value in 1990 so that it will be 6 percent more than that in 1989; and to increase gross national product in 1990 so that it will be 5 percent more than that in 1989. On the basis of readjusting industrial structure and improving economic results, we should strive to maintain the growth of the gross national product at about 6 percent annually so that it will double and the people can live a comfortable life by the end of this century, thereby achieving the second-phase strategic goals of China's socialist modernization and economic development.

In order to do a good job in promoting industrial production in 1990, it is necessary to adopt the following measures:

First, it is imperative to find ways and means to activate circulation so that commodities can flow freely. Commercial, supply, marketing, and foreign trade departments should take the initiative in procuring easily marketable products and famous and fine quality products. They should give full play to the role of state commercial enterprises as the main circulation channel and as a "reservoir." Banks should appropriately increase loans to those departments for the procurement of commodities. Commercial, supply, marketing, and foreign trade departments should actively expand the market and adopt various forms and methods to sell commodities. In particular, they should send commodities to the rural areas through various channels, open up the rural market, and strive to recall part of the currency issued through the selling of commodities. China is a large country with 1.1 billion people, of whom more than 800 million are peasants. In recent years, the income of urban and rural residents has increased quite rapidly and their income will further increase in the wake of the development of production. Our country has a vast domestic market and therefore we should make efforts to develop the market at home.

Second, it is imperative to lay stress on adjusting the product mix and raise economic results in promoting industrial production. A main reason of the weak market at present is that we produce items which do not have a ready market and that the quality of some products is poor. Those commodities which sell sluggishly at present are products of high price and poor quality, outmoded design and fashion, and items which are stocked up in excess of requirement. Products with new designs and of fine quality and reasonable prices are still selling well and the supply of those products still cannot satisfy demand. Industrial enterprises, especially those enterprises which produce means of livelihood, should learn to employ and adapt themselves to the law of market adjustment. They should organize their production according to the demands and changes in the domestic and international market, timely adjust the product mix, increase patterns and varieties, and raise the quality of products. Our country's policy is to combine planned economy with market adjustment and therefore we must develop the role of market adjustment. Light industry, textile, and electrical and machinery enterprises should actively develop new products while making adjustments, increase the production of commodities for export purposes and of products which can replace imports, and create and save foreign exchange for the state. In order to further whip up the enthusiasm and initiative of enterprises and their staff members and workers, it is imperative to keep to the contract responsibility system at various enterprises. In the meantime, we should seriously sum up our experience through practice, promote what is beneficial and abolish what is harmful, and constantly improve the contract responsibility system.

In order to meet the forthcoming peak season in repaying foreign debts, we must curtail imports and increase our

foreign exchange reserves. This is a matter which concerns our country's credibility and independence in the world. In 1990, we must enforce measures to limit the import of commodities in a more strict manner. In principle, we should control or limit the import of products which can be produced at home and ensure that the quality and capability of those products are similar to those of imported products. This does not contradict our policy of opening to the outside world. The purpose of our country's import of advanced technology is to strengthen our capability of self-reliance and not to depend permanently on foreign countries. In the past 10 years, we have imported a lot of advanced technologies from abroad. Now is the time to obtain fruitful results from those advanced technologies. At the same time, we should continue to import advanced technologies from abroad, including patent rights and samples. We should absorb them and use them in our domestic production. In order to develop new products, reduce consumption and raise economic results, the various enterprises must strengthen their technological transformation and raise their managerial level. In carrying out technological transformation, we must make some investments. However, the various enterprises should be the main entities in making such investments. The various enterprises must rely on their own efforts and tap their potential and use their limited funds for technological transformation. Governments at various levels should also give appropriate support to enterprises. In addition, the various banks should appropriately increase the amount of loans to enterprises for the purpose of technological transformation.

Opening to the outside world is a policy we must adhere to for a long time. We should take full advantage of the favorable factors in the international situation and open our door wider to the outside world in order to enable opening and our economic improvement and rectification efforts to complement each other. We should continue to effectively make use of foreign capital and advanced technologies, further improve the investment environment, manage well the three kinds of enterprises with foreign capital, and attract more direct foreign investments in accordance with the government's industrial policies. We should further improve the special economic zones and continue to encourage some coastal areas to develop export-oriented economy. The basic policies regarding special economic zones and open coastal areas and the measures taken in these zones and areas will not change, and will be gradually improved while being carried out.

Third, we should conscientiously carry out the state's industrial policies. We should take various effective measures to ensure the production of large and medium-sized state-run enterprises which concern the national economy and the people's livelihood and which have low material consumption and good economic results. We should also adopt policies to protect medium-sized and small industrial enterprises which produce daily necessities. The central and the local authorities as well should

make a list of enterprises by industry and area that must be protected. Special policies on granting bank loans, energy supply, supply of raw and processed materials, and transportation arrangements should be adopted for these enterprises.

Fourth, we should strengthen planning and management of important means of production. We should stress the importance of mandatory plans. We should appropriately increase those important materials in short supply that are earmarked for unified distribution by the state in order to ensure the supply of materials for key production and construction projects of the state.

Fifth, we should ensure good organization and arrangements in industrial production work, and strengthen leadership over it. In the current situation, the external environment of enterprises changes drastically. Some unexpected difficulties and problems may come up any time in localities and enterprises. To ensure continuous and normal production operations, we should strengthen macroeconomic management of enterprises. The State Council should further improve organization and arrangements in industrial production work across the nation, and all provinces, municipalities, and autonomous regions should do so according to their respective conditions. **We should take active measures to diversify production work and promote diversified economy and service trade, and strive to provide jobs to unemployed people.** During the period of improvement and rectification, and following the curbing of investment scale and readjustment of industrial structure, some enterprises currently have suspended production or reduced production operations, thereby increasing the number of unemployed personnel. This is something that cannot be totally avoided. How to make proper arrangements for these unemployed personnel is something we have to pay great attention to. The central and the local authorities as well must effectively strengthen leadership and make good arrangements in order to properly cope with unemployment problems. We should explain to everyone that our difficulties are of a temporary nature, and should stress that we should see the bright side of things when we are in difficulties, and should increase our confidence in overcoming difficulties. Trade unions at all levels, who conduct their work under the leadership of party committees at various levels, should, on the one hand, reflect the workers' actual difficulties, and, on the other hand, teach them to take the overall situation into consideration and join the party and government in overcoming difficulties.

We should strengthen organization and management of laid-off personnel, and mobilize them to participate in beneficial activities in factories, such as in maintaining equipment, taking inventory, improving the appearances of factories, improving environment, and attending classes. We should not pass them to society. We should ensure basic living needs of these laid-off personnel, and give them appropriate amounts of wages or living allowances as necessary.

We should make active efforts to diversify production work and increase employment opportunities in urban and rural areas in order to reduce the number of unemployed people to a minimum. In urban areas, we should organize social services of various kinds, increase commercial outlets, and create employment opportunities. At the same time, we should organize people returning to rural areas from urban areas to take part in building water conservancy projects, planting trees, constructing roads and bridges, and pioneering new agricultural projects. To create employment opportunities and develop social production work, we should develop diversified economy mainly based on the public ownership system. Individual and private economy are a beneficial and necessary complement to socialist economy. We should strengthen management of them, provide better guidance for their development, and continue to encourage them to develop within the bounds set by the state, so that they can play an active role in developing production, accommodating people's daily life, and creating new employment opportunities. At the same time, we should limit those negative effects that are unfavorable to developing socialist economy.

To reduce the pressure of unemployment in cities and towns, it is particularly necessary to strictly control the number of workers and staff members, as well as the change from an agricultural population to a nonagricultural one, in the next few years. At the same time, we should seize this opportunity to institute a social insurance and security system step by step. **It is necessary to strengthen, in a strict manner, the management of market prices and to control the range of price rises.** To reduce the inflation rate and the range of price rises year by year is a basic task to be carried out in improving the economic environment and straightening out the economic order. The task of controlling the range of price rises in 1990 will be a very arduous one. One primary measure to control rising prices is to continuously control the total social demand. Price rises by departments and enterprises themselves must be strictly controlled. A policy to stabilize the prices of the necessities for people's basic daily life, as well as labor charges, should be adopted. Such a policy should stipulate in explicit terms that the prices of some necessities are not to increase. It is necessary to conscientiously check on various criteria for fees and to strictly ban or forbid wanton price rises and excessive charges. Efforts must be made to strengthen the controls over market prices, as well supervision and inspection in this regard. It is particularly necessary to give full play to the role played by the masses and public opinion in controlling prices. The price-control responsibility system should be continuously implemented. Control over the range of price rises must continue to be an important gauge in evaluating the performance of governments at various levels in 1990.

It is necessary to uphold the retrenchment policy and to live an austere life for a few years. This is an extremely important link in surmounting financial and economic difficulties and in mitigating various contradictions.

People now favor living a really austere life for a few years. However, there is still not an atmosphere of living this austere life or a sense of urgency in this regard in many localities, departments, and units. The problems of the investment scale being overextended and the consumption demand rising too fast have yet to be basically solved; some localities have yet to cut down on their excessive expenditures; and extravagance and waste remain rather serious in production, construction, circulation, and other fields. If we are not determined to change this situation, then we will hardly be able to eliminate inflation. Our economy then will not be able to get onto the track of a sustained, stable, and coordinated development. In 1990 we must continue to control the total social demand and to uphold a tight policy in both finance and credit. We must not waver in this regard. If we should waver, then the initial results achieved in improving the economic environment, straightening out the economic order, and deepening the reform might be lost. This calls for us, from the highest level down to the grassroots, to fully meet the requirement to live an austere life when considering problems and doing our work in various fields. In construction, we must keep the scale of investment in fixed assets within the planned limits, and it must not go beyond these limits. The scale of self-raised investment should not be expanded in various localities. It is necessary to further reduce the scale of investment in nonproductive projects, to continuously do a good job in screening projects under construction, and to keep new projects under strict control. At the same time, the investment structure must be further readjusted. The authority given by the central government to the province in examining and approving capital construction projects will remain unchanged. However, the central government will set the investment scale, and the direction of investment should be guided according to industrial policy. The authority given by the province to lower levels in examining and approving construction projects should be appropriately concentrated at the provincial level. In consumption, the growth rate of the incomes of workers and staff members must be lower than the growth rate of the national income and that of labor productivity. Tremendous achievements have been made in controlling the purchasing power of institutions in 1989, and strict control should continue to be exercised in 1990. In expenditure, we must be determined to cut various kinds of spending increases as a result of economic overheating. Administrative units and institutions should live an austere life, and so should enterprises. The local financial responsibility system will remain unchanged. Meanwhile, to gradually increase the proportion of the revenues in national income and the proportion of the central government's revenues in the revenues as a whole, it is necessary—in credit—to continue to control the scale of loans and the amount of money put into circulation, and it should not be allowed to go beyond the planned limits in this regard. The important role of finance in macro-economic control should continue to be brought into full play. Value-guaranteed savings deposits have played a

remarkable role in stabilizing the market and the financial situation, and such deposits should continue. Urban and rural residents should be encouraged to vigorously participate in such savings for the state, as well as for themselves. Financial departments should pay attention to making timely adjustments, give more guidance of different kinds, readjust the credit structure, and do a better job in granting and managing loans.

The various localities and various trades should all make efforts to stop extravagance and waste and advocate thrift, and do everything industriously and frugally. Under the present circumstances, the central authorities and the various localities and state and other enterprises must all make up their mind to truly tighten their belts for a number of years to tide over difficulties. **3. It is imperative to strengthen the sense of taking the interests of the whole into consideration, conscientiously improve workstyle, and implement the various tasks in a solid manner.**

The general policy for economic work in 1990 has been decided. Now the key lies in implementing the policy in a solid manner.

We must strengthen the sense of taking the interests of the whole into consideration and strengthen the sense of organization and discipline. In improving the economic environment and rectifying the economic order, we must inevitably make some necessary adjustments in the existing pattern of distribution of benefits. In implementing the plan for 1990, we should somewhat increase the proportion of revenues which various provinces and municipalities should deliver to the central authorities and reduce financial subsidies to some localities. We should appropriately increase the proportion of important supplies to be distributed by the state in a centralized manner, continue to curb the scale of investments, and adjust investment structure. All this will directly or indirectly affect the interest of the various localities and departments. At present, both the central authorities and various localities encounter difficulties but the difficulties faced by the central authorities are greater. Moreover, the difficulties faced by the central authorities will influence the entire situation. The measures adopted at present have all been formulated after taking the conditions of both the central authorities and various localities into consideration. Therefore, it is hoped that all units will proceed from the interests of the whole and make more contributions to the state. In the past several years, we emphasized the local interests more than the national interests and the people's concept of the state and the whole was weakened. We must effectively change this trend. We must realize that China is a unified country and China's economy is a unified economy. Like other work, economic work should adhere to the principle of democratic centralism. The Central Committee and the State Council, in making major economic policy decisions, should consult with the localities, fully listen to opinions of the various localities, strive to draw on collective wisdom and absorb all useful ideas, and make their policy decisions highly scientific and practical.

Once the decisions are made, the various localities must strive to implement them and not fall short of the requirements and act their own way. In the future, we should consider whether one can consciously protect the interests of the whole, the whole country, and the whole party and whether one can conscientiously implement state policies and plans as the most important criteria in evaluating leading cadres. **It is necessary to improve the leading style, go deep down to the grassroots level and among the masses, and study and solve problems.** We should vigorously advocate the habit of making investigation and study and encourage leading cadres to go deep into realities and among the masses, study the new situation, solve new problems, and timely sum up experiences and correct mistakes in their work. Leading organs should organize office cadres to go to the frontline of production and construction in a planned manner and have them work together with cadres at the grassroots level and solve actual problems in their work. This is also an important way to train and temper cadres. **It is necessary to strengthen the sense of responsibility, perfect the responsibility system, and have cadres fulfil their duties in their respective posts.** The period of economic difficulties can be a test for leading cadres at various levels. The more difficult the situation is, the more necessary it is for leading organs and leading cadres to take the initiative, assume responsibility, and find ways and means to overcome difficulties and do well their respective jobs. In improving the economic environment and rectifying the economic order, the departments concerned should assume the responsibility of implementing the various pertinent tasks and measures and the departments at various levels should assume the responsibility of solving problems within their respective jurisdiction. All departments at various levels must not squabble with each other over trifles and turn responsibility over to higher or lower levels. The various departments and localities should boldly carry out their respective tasks, have the courage to assume responsibility, and refrain from merely waiting and hesitating. The State Council will periodically conduct supervision and inspection on the situation of implementing the "decision" of the Central Committee by various departments and localities.

It is imperative to further strengthen ideological and political work and unite and rely on the masses in fulfilling various tasks. In order to do a good job in economic work, we must use powerful ideological and political work to ensure its success. The more difficult the task, the more necessary is the strengthening of ideological and political work. At present, economic and social contradictions are relatively complicated and there are relatively more ideological problems. Therefore, it is urgently necessary to conduct ideological education in the light of the situation. We should inform the masses of all economic difficulties and problems, the solutions to those difficulties and problems, and the bright future in order to win their understanding and support. In this way, we can mobilize and encourage the broad masses of workers, peasants and intellectuals to

work with concerted efforts, struggle hard, and make greater contributions to fulfilling economic plans and various tasks in 1990. In enterprises, we should continue to implement and improve the system of having the plant director assume full responsibility and ensure that the plant director has the power to operate and manage his enterprise independently in a responsible manner and has the authority to make decisions on matters related to production and technological development. At the same time, we should strengthen the party organizations' leading role in the ideological and political field in enterprises and vigorously strengthen and improve ideological and political work. The plant director and the secretary of the party committee should support and coordinate with each other and work with concerted efforts to run the enterprise well and lead the masses to jointly overcome difficulties.

Doing a good job in carrying out economic work in 1990 is of great significance. We are convinced that so long as people of the whole country can conscientiously implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and work hard with concerted efforts, we can certainly overcome various kinds of temporary difficulties; achieve new progress in carrying out economic work in 1990; and advance along a track of sustained, stable and coordinated development.

Li Ruihuan Writes on Marxist Philosophy

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[Text] Beijing, 15 Dec (XINHUA)— Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, has published an article entitled "Strive To Study Marxist Philosophy" in the 24th issue of the journal "QIUSHI." The article says that the study of Marxist philosophy has a particularly vital effect on and significance for our party in consolidating and adhering to the Marxist ideological line of seeking truth from facts reestablished at the 3d Plenary Session of the 11th CPC Central Committee. It is also of significance for doing still better in leading all the people in the country to build socialism with Chinese characteristics.

The article is divided into three parts: 1. It is recommended that everyone study some philosophy; 2. Persistently link theory with practice; and 3. Strive to create conditions for study.

In the article, Li Ruihuan states: Studying philosophy and grasping the scientific world outlook and methodology is necessary in order to fully complete all the tasks at present. Since the 4th Plenary Session of the 13th CPC Central Committee, the new central leading collective has resolutely and effectively arranged for the implementation of the resolution of that plenary session. The situation as a whole is developing in the direction of further stabilization. It must be noted, however, that the tasks before us are arduous, the difficulties are numerous, the contradictions are complicated, and the

situation is grim. We should have a sufficient understanding about this and should be adequately mentally prepared. How should the ideology and theory confused by bourgeois liberalization be corrected? How should the people's thinking and feelings following the turmoil and the counterrevolutionary rebellion be truly straightened out so that we can earnestly conduct the investigative and screening work and unite the vast majority of them? How should we persist in taking economic construction as the central task in practical work and incorporating the two basic points—the four cardinal principles and reform and opening—into the process of building socialism with Chinese characteristics? How should we really do a few things that satisfy and delight the people, and put on a solid basis the work of punishing corruption and strengthening the building of clean politics? In particular, how should we proceed with economic adjustment in the spirit of reform, make a success of the improvement of the economic environment and the rectification of the economic order, and carry out the tightening principle without affecting the trend of reform and opening? All these are not just practical questions, but are also theoretical issues. Their real solutions require the aid of Marxist philosophy, which is a great tool of knowledge, as well as the efforts to persistently seek truth from facts, wipe out idealism, and guard against and avoid the appearance of such things as correcting one tendency while covering up another and going from one lopsided view to another lopsided view.

The article says: Cool-headedly summing up the past and thinking about the future is a very important task that Comrade Xiaoping set before the whole party. Over the past 40 years since the founding of the People's Republic, especially during the past decade of reform and opening, our party has experienced all kinds of hardships and led the people throughout the country in to make achievements which have been universally acknowledged. We have thus accumulated extremely valuable experience. In this process, however, some serious mistakes and errors have appeared, and there are profound lessons to draw. We should comply with the guidelines contained in Comrade Xiaoping's speech and make a serious effort to sum up the experience. We should neither suffer from nor try to take advantage of being muddleheaded, but should translate our experience into the spiritual wealth of the party and the people. Summing up historical experience is a process of elevation from perceptual knowledge to rational knowledge. It is a process of practice, knowledge, again practice, and again knowledge. We should sum up, by truly seeking truth from facts, the historical activities of the masses during the past 10 years of reform and opening and in the modernization program, and see to it that when estimating our achievements and errors, we will neither avoid talking about errors because of our great achievements nor blot out the achievements because we are exposing our errors. When affirming, protecting, and fostering the young buds, we should not forget to remove the remnants of old things attached to them. When resolutely dealing with those difficult questions of

making a choice between two things, we should look ahead and behind so that our choice will produce a favorable effect on the situation as a whole and will provide some foreshadowing for future development. To do so, we cannot divorce ourselves from the great tool of knowledge that is Marxist philosophy.

The vital significance of the theory is also that it can predict the future in a scientific way so as to guide our work and action to advance toward the correct goal. Comrade Xiaoping's theory of building socialism with Chinese characteristics, the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee, and the "trilogy" of China's development strategy have painted a bright future for us, set a great objective, and explicitly pointed out the orientation in which we should advance. However, if we are to substantiate these matters of general principle and embody them in the various fields of work for various periods and achieve their intended goals, then we still have to face the great realm of necessity. To overcome blindness, raise consciousness, explore the law, and enhance foresight, we must also use Marxist philosophy as a guide.

Comrade Xiaoping pointed out that the turmoil and rebellion that occurred in our country this year involved the issue of the whole international climate. Taking advantage of the difficulties and setbacks encountered by socialist countries in construction and reform, some political forces in Western countries have advocated that the communist movement "has collapsed" and it "can be defeated without fighting." Moreover, they are bent on carrying out the "peaceful evolution" strategy against socialist countries. Such an international climate has also had some influence inside our country and party. Some have openly publicized that the trial and failure of socialism is the big "heritage" of the 20th century. Others have openly published the so-called "Manifesto on Private Ownership." It is imperative to effectively criticize and refute this fallacy and gain a correct understanding of the question of what is good, what is bad, what has triumphed, and what has failed—socialism or capitalism. To reinforce our own confidence in socialism and communism, it is insufficient to merely rely on simple class feeling and personal experience. We must seek aid from the force of the theory. So far, only Marxism has scientifically and unrefutably revealed the objective law of social development that capitalism is inevitably doomed to extinction, while communism is bound to triumph.

There are many reasons why Comrade Zhao Ziyang committed mistakes. From the angle of the theory of knowledge, the reason is the separation between his subjective view and objective reality; that is, breaking away from the state of affairs in the country and from reality and running counter to the ideological line of seeking truth from facts. Let us cite a few concrete examples: While it was apparent that marked inflation occurred, he one-sidedly stressed that inflation was "hard to avoid" and, in reality, took a negative attitude

toward the principle of stabilizing the economy. While it was apparent that the ideological and political work was greatly weakened in enterprises, he wanted to carry out "transformation." While it was apparent that embezzlement, bribe-taking, and other corrupt phenomena aroused indignation among the abroad masses, he still one-sidedly stressed that corrupt phenomena were inevitable. These erroneous ideas could not correctly understand the reality and could only be resisted and opposed by the vast number of cadres and masses. After taking charge of the central work, Comrade Zhao Ziyang took a negative attitude toward the principle of opposing bourgeois liberalization, ignored to a serious extent the building of the party, the building of spiritual civilization, and the ideological and political work. The consequences were serious. Those inside and outside the party advocating bourgeois liberalization made a futile attempt to transplant into China the political and economic systems and values of Western capitalism. This absurd proposition, divorced from China's national conditions and acting against the tide of history, has, of course, run up against a stone wall.

The article states: Strengthening the cultivation by Marxist philosophy is a strategic measure for the improvement of the quality of the cadre ranks. For all cadres, whether from schools or trained by practical work, there is a question of make-up studies. This is the only way to resist the attack by the trend of thought of bourgeois liberalization, to prevent and overcome dogmatism and narrow empiricism, to incessantly enhance the principled and systematic nature, foresightedness, and creativity of work, and to raise the level of leadership. In addition, success in studying philosophy will help study, grasp, and develop other scientific theories of Marxism. The grasp of Marxist philosophy will help us to understand and grasp the Marxist theories of political economy and scientific socialism and to develop these two theories in the course of practice. We have proposed the building of socialism with Chinese characteristics. What is socialism with Chinese characteristics? It is a combination of the basic Marxist theories with China's modernization program. If we do not seriously study Marxist philosophy, such a combination cannot be spoken of, and building socialism with Chinese characteristics will be out of the question.

The article emphasizes: Historical experience proves that raising the whole party's philosophical level can tremendously promote the vigorous development of the cause of the party. In the history of our party, there were two campaigns to study Marxist philosophy that yielded great positive effects. One took place during the Yanan Rectification Period before the founding of the People's Republic. The other was launched during the period from our discussion on the criteria of truth for the purpose of eliminating chaos and restoring order in 1978 to all-around reform. The 4th Plenary Session of the 13th CPC Central Committee elected the third-generation leading collective with Comrade Jiang Zemin as the nucleus. The situation and tasks of our party today are

greatly different from those of 10 years ago. We now have many favorable conditions. Comrade Deng Xiaoping and other revolutionaries of the older generation are in good health. The line since the 3d Plenary Session of the 11th CPC Central Committee is correct. We have opened up a road of building socialism with Chinese characteristics. Our country is building up its economic strength and its working experience in various fields. However, we must not underestimate the magnitude of our difficulties, the great number of contradictions, and the complexity of our problems in order to continue our advance. In particular, the political disturbance this year exposed many serious problems in our party, and those problems cannot be solved overnight. In the coming 10 years of the 1990's, our tasks are arduous and we will be facing rigorous challenges. A large number of new cadres have taken up, or will take up, leading posts to succeed veteran comrades of the two older generations—both at the central level and in various localities and organizations. Fundamentally speaking, to succeed the veteran comrades means first taking over socialism from them. In other words, we should ensure that socialism will be carried on in China, be upheld, and developed, as well as win new victories in the course of the new practice of socialist modernization. At a crucial moment of historical development today, it is particularly important and imperative to seriously put forward the task of studying Marxist theories and philosophy for the whole party.

The article emphasizes: In studying Marxist philosophy, we should stress studying Comrade Mao Zedong's philosophical works well and the works by Comrade Deng Xiaoping and other revolutionaries of the older generation, which contain rich philosophical thinking. It is not only because these works are easy to understand and we are familiar with their historical background. It is even more important that they themselves are bright pearls in the treasure house of Marxist philosophy. We should particularly attach importance to Comrade Mao Zedong's military writings, such as "Problems of Strategy in China's Revolutionary War" and "On Protracted War" because they have provided us the most brilliant examples of how to use and develop Marxist theory of knowledge and dialectics in the course of practice.

On persistently linking theory with practice, the article says: The key to successfully starting, persisting in, and deepening philosophical study and to achieving good results this time lies in having a correct style of study. The question of a study style is a question of attitude toward Marxist theories. During the Yanan Rectification, Comrade Mao Zedong put the style of study and the style of the party side by side for rectification, and pointed out that incorrect style of study shows a lack of party spirit or an incompleteness of party spirit. His remarks played an extremely important role in promoting the study of Marxism at that time. During our current drive to study philosophy, we should emphasize from the very beginning the need to uphold and carry

forward the good study style of linking theory with practice that our party has always advocated.

The article emphasizes: Marxism is a universal truth for understanding and transforming the world. We do not study Marxism to show off our knowledge nor do we study it because it is mysterious. We study Marxism because it is a science leading our cause to victory. We attach importance to Marxist philosophy also because it can guide our action. It is a wrong attitude not to use Marxism after studying it because such an attitude distorts the character of Marxism and runs counter to the purpose of Marxism. Marxist philosophy has a strong party character and it is the ideology for the proletariat to emancipate itself. Class nature and practicability are the two salient features of Marxism. We can truly learn and master Marxist philosophy only when we have an intense revolutionary devotion to our work, serve the people enthusiastically, and study Marxism seriously in consideration of reality.

The article says: Linking theory with practice not only will help us enhance our understanding of book knowledge, but also help us correctly understand and solve our problems. For this reason, we should persistently read books; persistently study in light of reality; comprehend, test, and use theories in the course of work; and explore ways for solving our work-related problems in the course of reading and studying. In short, we should integrate our study with our work organically to ensure that "we learn things by reading books and it is even more important that we learn things by using what we read." In this way, we will properly solve the problem of when to study and when to work. So, the question of whether we link theory with practice is also a key to whether we can persist in studying.

The article points out: An important way to study and use theories is to study in consideration of past facts and our past experience. In the 40 years since the founding of the People's Republic, we have made universally acknowledged achievements. We describe it as 40 years of rich experience and lessons because the Chinese people, in making this phase of history, experienced numerous difficulties and setbacks, made a huge sacrifice, and paid a dear price. To a high-ranking cadre, studying philosophy and theories in consideration of this phase of history is of great significance, not only to theoretical studies, but also to practice. Of the 40 years, there were two 10-year periods that particularly merit attention. One was the 10-year "Cultural Revolution" from 1966 to 1976, and the other was the 10 years of reform and opening to the outside world from 1979 to 1989. Without understanding the first 10 years, it would be very difficult to have a correct understanding of the second 10 years. In the first 10 years, the "Cultural Revolution" brought great calamity to our party and the people when idealism and metaphysics were rampant. In the second 10 years—the 10 years of reform and opening to the outside world—our state, society, and people have undergone comprehensive and profound changes. For this reason, studying in consideration of this phase of

history not only will help us enhance our understanding of philosophical doctrines, but also will help us raise our awareness and firmness to implement the party's basic line of "one central task and two basic points." In the course of studying philosophy, leading cadres will be able to gradually deepen their theoretical studies, constantly improve their working ability, and keep enhancing their ideological understanding if they properly integrate their study of philosophy with their effort to sum up experience, and if they examine the results of their work while studying and using philosophical theories.

The emphasis on practice does not negate the importance of reading books. On the contrary, we should read books over and over even more seriously, study hard, and truly understand and master what we read. How can we link theory with practice if we do not master theories? In past study, particularly the study by leading cadres, some people failed to study hard. They talked about linking theory with practice in study, but their discussion did not touch on theories at all. When they were discussing a specific work, they indulged in empty, random, and irrelevant talks, so that the discussion looked lively but yielded very little results or even was a waste of time. Of course, the integration of theory and practice should proceed from the easy to the difficult, and go on and on. In linking theory with practice, the major question at present remains: How to study theories and read books. We advocated the study of philosophy for so many years and so many times, and people read many books on philosophy. Then, why do we continue to emphasize the importance of book-reading? I think that many comrades have not truly understood what they read or their study method is incorrect because they have not put enough effort on reading. We must study the basic principles and viewpoints of Marxist philosophy hard and strive to understand, memorize, and master them. In the present situation, we should stress understanding the following several basic viewpoints:

On the viewpoint of practice—Practice is the first and basic viewpoint in Marxist theory of knowledge, as well as the theoretical basis, for our party's ideological line of seeking truth from facts. The 1978 discussion on the criteria of truth was in fact a discussion on the question of how to treat the viewpoint of practice. Practice is the source of correct thinking and it is the sole criterion for examining truth, as well as the motive force and objective for developing theory. When we understand and uphold the viewpoint of practice, we will have the courage to emancipate our mind, persist in seeking truth from facts, do things in consideration of reality, and thoroughly break the dogmatic shackles of following only what the books and higher authorities say. When we say that practice is most important, we are not denying the role of Marxist theories and other scientific theories in guiding practice. Our practice will be blind if it is not guided by theories that have been proven to be truth in the course of practice. Nevertheless, the theory guiding us in practice must continue to be tested in the course of practice. When what is said in the books or documents,

past experience, the views of an authority, or ideas held by the majority contradict practice, or, in short, when theory is in conflict with practice, we must dare to set great store by practice, the masses, grassroots, and reality. In a word, we must dare to test, perfect, and develop theory on the basis of practice.

The reason why it is so important for us to study and master the viewpoint of practice is that the numerous problems facing us in the course of building socialism with Chinese characteristics—including current economic problems—are problems of practice in essence. The orientation of reform and opening over the past decade is correct and we have achieved tremendous progress and acquired some experience. However, there are still numerous realms of necessity yet to be recognized by us as far as socialist reform as a whole is concerned. It takes quite some time for many contradictions in the practice of reform to breed, manifest, develop, undergo a course of struggle, transform themselves, and reach a final solution; it is inappropriate to draw hasty conclusions before this process is completed. As for plans or measures to solve these contradictions, we must not expect a miraculous cure from abroad that will solve all our problems, nor should we mechanically continue applying the old experience of ours that is already lagging far behind the reality. Rather, we can only rely on the practice of thousands upon thousands of people. Errors of one kind or the other are bound to arise in the course of practice; it is not at all surprising. Error is often the precursor of what is correct and we must rely on practice to correct our errors. It is idealist apriorism to ask reform and opening to be smooth sailing and free of any mistakes, because nothing is capable of that. On the other hand, it is agnosticist to say all mistakes of reform and opening up are unavoidable, because some of the mistakes are caused mainly by people's subjectivism and therefore can be avoided. Defending these mistakes with the sweeping term "paying tuition" is a manifestation of irresponsibility to the people. The correct attitude is to thoroughly implement the viewpoint of practice and, in addition to boldly implementing practice, boldly use the criterion of practice to test whether the theory, viewpoint, principle, policy, scheme, and plan of reform and opening conform to reality. On the basis of reviewing and summing up, we should carry forward what is correct, redress mistakes, and make up deficiencies. By doing so, we will be able to continue advancing the undertakings of reform and opening in a sound way.

On the dialectical point of view—During the revolutionary years as well as the period of construction, one-sidedness, extremism, and absolutism have done great damage to us. One-sidedness was also evident in the handling of fundamental economic, political, cultural, and social problems over the past few years. For example, we stressed reform and opening up while neglecting the four upholdings. It was necessary to develop diverse sectors of the economy, but we relaxed administration of the individual and collective economy. The highly centralized and over-rigid planning system of

the past should be reformed and market regulation should be fully utilized, but we have failed to relax control in a planned way and enliven the market in a controlled manner. Rationally developing rural enterprises is conducive to lifting us out of the backward situation in which 800 million peasants are engaged in food production, but we neglected grain production and agricultural input to a serious extent. Economic construction has always been the focus of our work, but we failed to pay adequate attention to promoting spiritual civilization and ideological and political work. We corrected the mistake of continuing to "take class struggle as the key link" during the period of socialist construction, but overlooked the fact that class struggle will continue to exist within certain limits and so on and so forth. We must not fall into another one-sidedness while correcting one one-sidedness. For example, in handling the relationship between the four upholdings on one hand and reform and opening up on the other and correcting the mistake of stressing one thing at the neglect of the other, we must not neglect the thing that we have stressed; instead, we should stress what we neglected and unify the two under new conditions to make them integrate with one another in a still better way. Such an integration means, in essence, proceeding from national conditions and applying the basic tenets of Marxism to find a solution to the question of China's modernization. The process of this integration is also a question involving correct approach and handling of the relationship between general and specific character. What is absolutely needed here is materialist dialectics; there is absolutely no room for metaphysics.

China is a developing country which must properly approach the extent of its stability, reform, and development. Stability, and especially economic stability, is the overwhelmingly most important requirement. Stability certainly does not mean a complete standstill, nor does it mean that reform and development are dispensable. Without stability, however, there will be no reform or development whatsoever to speak of. Now factors of instability have appeared in our economic life and they should not be taken lightly. We cannot simply resort to economic means to solve our economic problems. We should also have in mind political measures as well as the strength of the masses. Many of the problems we encountered during the on-going economic retrenchment have come into being over a period of many years. These problems can hardly be effectively resolved by means of economic measures alone, they must be resolved comprehensively with all kinds of measures. Since many measures have their advantageous side as well as their disadvantageous side when actually applied, we must work cautiously and deal with specific issues by specific measures so that the measures will work to our advantage and not to our disadvantage. Thus, we should not seek arbitrary uniformity, nor should we act whimsically or radically or support or reject certain measures metaphysically. The general requirement is, we must organically integrate economic retrenchment with thorough reform and take positive and constructive measures that

can give people confidence. Instead of standing still to make improvements, we should look forward, make improvements while advancing, and seek development during the course of retrenchment.

On the viewpoints of the masses—Having faith in the masses and relying on them is the most fundamental viewpoint of historical materialism. While we must uphold this fundamental viewpoint during revolutionary periods, we must especially uphold this fundamental viewpoint when our party is leading the political powers throughout the country and when we are confronted with the formidable socialist modernization project. We must be really aware that the people are the decisive force of social change, the main force that does the work and has the knowledge, the driving force of history, and the masters of the country. None of our causes can develop without the conscious support and initiative of the vast number of people. Thus, grasping and upholding the Marxist viewpoint about the masses is the basic requirement to make our work successful in various fields. One basic principle of Marxism and Leninism is to help the masses understand their own interests so that they will stick together to fight for their own interests. No matter when, these should not be changed: Our aim of serving the people, the principle of providing useful services to the people, and the method of counting on the people to solve problems. If the aim, principle, and method have been changed, we would have changed our quality and color as well.

Ever since the adoption of the reform and open policy 10 years ago, our party's ties with the people have been strengthened in certain areas but weakened in other areas. The party's lines and policies are correct. The economy has developed, our livelihood has improved, and the people sincerely support us. However, the people are dissatisfied because our party has eased the efforts of building up itself and failed to take prompt and effective actions to rectify such corrupt phenomena as bureaucratism, abusing power for personal gains, and giving and taking bribes. The fact that so many people took to the streets during the storm this year showed that not only problems of class struggle still exist, problems also existed in the ties between the party and the people. This is something worth thorough reexamination. In the several talks he made before and after the suppression of the counterrevolutionary rebellion, Comrade Xiaoping emphasized over and over again the need to concentrate on accomplishing some projects which could satisfy and please the people. Following the convocation of the 4th Plenary Session of the 13th CPC Central Committee, the new central leading collective has been working hard to do just this in accordance with Comrade Xiaoping's instructions. Fundamentally speaking, the most important thing to do to alleviate the dissatisfactions of the vast number of people is to correct the mistakes we have made in our work. When we have done so, we will have the people's understanding and sincere support and they will stick closely together, tighten their belts voluntarily for a few years, and join us in surmounting the difficulties. Of course, the masses' emotions and deeds cannot

be naturally rational all the time. Thus, when their awareness has not yet been heightened, we should guide them to follow the right course by doing patient and meticulous ideological and political work among them.

The article concludes: The current situation not only gives us the important assignment of earnestly studying and systematically researching Marxist philosophy, but also provides us the best opportunity for propagating and popularizing Marxist philosophy. During the course of philosophy study this time, the Central Committee will encourage senior and intermediate-ranking cadres of the party to take the lead in study and relevant departments must also come up with special plans for the project. We should earnestly do certain things and make an effort to facilitate the study in all possible ways to promote the study of Marxist philosophy.

1. We should systematically train leading cadres at all levels. We should make overall plans and arrangements, making sure that leading cadres at all levels will be able to attend party schools for rotational training and philosophy study once every few years. Proficiency in Marxism should become a criterion for judging how revolutionary our cadres are and also a requirement for promoting and appointing cadres.
2. We should establish and improve the system under which leading cadres can study on their own. After all, only a small number of cadres can attend party schools and rotational training classes. As far as the majority of cadres are concerned, they have to study on their own whenever time is available.
3. We should support the study of philosophy among cadres and the masses. This is an important aspect of intensifying ideological and political work and training people to become new people who have lofty ideals, who are better educated, and who have a high sense of morality and discipline. We should conscientiously examine our experiences in encouraging the masses to study philosophy, provide them timely and better guidance, and guard against the recurrence of such unsound previous practices of seeking formalism, rushing headlong into mass action, making a mystery of philosophy study, and debasing philosophy study. We should stress actual results instead.
4. We should come up with plans for producing a large quantity of philosophy books to meet the needs of readers of different levels. For example, we should select some philosophic articles by Marx, Engels, Lenin, Mao Zedong, Deng Xiaoping, and other revolutionary leaders and publish them in book form. This will greatly facilitate the study and research of Marxist philosophy among the vast number of cadres and people. We should also compile some good and practical reference books that can aid the study of philosophy. The reference materials in these books should be comprehensive and accurate and easy to use.
5. Our newspapers, journals, television and radio stations, and other media should help popularize and

propagate philosophy. Party newspapers and journals must have special columns for philosophic knowledge and for readers to tell what they have gained in philosophy study and to exchange their study experiences. Central and local radio and television stations may sponsor lectures on popular philosophy, special discussions, and tests of philosophic knowledge. They may also produce some special films to introduce the deeds of typical people who have successfully studied and applied philosophy to diversify and enrich the ways of propagating philosophy.

6. Philosophy workers should make greater contributions to the popularization of philosophy. Philosophers and all comrades engaged in philosophy teaching and researching must work hard to bring into play the fighting power of Marxist philosophy and warmly assist people in their philosophy study. Philosophy workers must heed the fresh experiences gained by the vast number of workers, peasants, intellectuals, cadres, and people of all trades and professions during the course of studying and applying philosophy and help them sum up their experiences and achieve even greater successes. While popularizing philosophy, philosophy workers themselves will also be nourished, enriched, and upgraded during the process.

In his article Li Ruihuan urges leading comrades at all levels, and especially the principal leading comrades, to participate in the study of Marxist philosophy with great enthusiasm and perseverance, saying that not only should they make their own study a success, but also actively create the conditions for other people and organize and lead them to study. He said: I believe that the philosophy study this time will, like the Yanan Rectification Movement and the discussion of the criterion for truth, also develop and deepen in a down-to-earth manner and play a significant role in giving impetus to the accomplishment of the new historical tasks during the new period.

Li Ruihuan Writes Inscription for Tianjin Railway
SK3012042089 Tianjin City Service in Mandarin
2300 GMT 29 Dec 89

[Excerpt] The Tianjin railway station has given good service to both Chinese and foreign passengers. Until now, the station has done more than 60,000 good deeds for passengers and cargo owners and has been commended on more than 1,500 occasions.

Recently, Comrade Li Ruihuan wrote an inscription for the station. The inscription reads as "Consolidate First-Class Achievements and Scale New Heights." [passage omitted]

More on NPC Committee's 26 Dec Sessions
OW2812115989 Beijing XINHUA Domestic Service
in Chinese 1212 GMT 26 Dec 89

[Text] Beijing, 26 Dec (XINHUA)—Two full sessions were held today, one in the morning and one in the

afternoon, for the 11th Session of the 7th National People's Congress [NPC] Standing Committee to conduct discussions. A dozen or so committee members and comrades attending the meeting expressed their opinions on education, development of the legal system, protection of military installations, agriculture, environmental protection, and city planning.

Chairman Wan Li and Vice Chairman Ye Fei presided over the morning and the afternoon sessions respectively.

In his speech, committee member Zeng Tao said: Laws that have been promulgated so far should be investigated selectively so as to sum up the experiences and lessons in law enforcement. This will help perfect our legislation, more effectively implement the principle of observing and strictly enforcing all the laws, and promote a wholesome development of the legal system in China.

Committee member He Wanfen noted: To ensure success in city planning, we must first straighten out the urban management system and give greater authority to the administrative departments in charge of city planning so as to facilitate the enforcement of the law on city planning. She said: There should be a unified and highly centralized leadership in city planning and management. In formulating city planning, we should make sure that the overall layout is reasonable, the use of land is rational, all factors are considered, and future development will be coordinated.

Committee members Duan Suquan and Huang Yukun (on behalf of Yan Jinsheng) voiced their opinions on questions related to the law on the protection of military installations. Committee member Duan Suquan noted: Economic strength is the basis of defense capability. A consolidated defense for guarding the motherland is essential to economic development. In solving the contradiction between economic development and opening to tourists on the one hand and the protection of military installations on the other hand, we should take all factors into consideration, make an overall planning, and give equal attention to immediate and long-range interests. Committee members Huang Yukun and Yan Jinsheng suggested launching a nationwide propaganda and education campaign following the promulgation and enforcement of this law, so as to heighten the sense of national defense among the people. They said that protecting military installations and consolidating defense is by no means the business of a few people, but a common and bounden duty of the whole party, the whole Army, and the people of all nationalities throughout the nation.

Committee members Li Gui, Wang Jinling, Deng Jiatai, Zhang Chengxian, Chen Shunli (on behalf of Chu Zhuang), Yang Lieyu, and Wu Zhonghua expressed their views on education. They maintained that the obvious problems in education are: The educational principles laid down by the party Central Committee have not been effectively implemented, party leadership as well as political and ideological work has been rather weak,

there is no consistent effort to implement the four cardinal principles and oppose bourgeois liberalization, inadequate attention is given to the training of young students in thoughts and character, management is slack, and discipline is loose. They maintained that one fundamental question on the educational front is: What kind of people are we going to train? Socialist universities should be the training ground for reliable successors to the socialist cause, that is, people with socialist consciousness as well as scientific and cultural knowledge. On educational matters, we should remain sober to the seriousness of our fierce struggle with hostile forces at home and abroad to win over the younger generation. Book teaching and character cultivation should go hand in hand so that the students will understand why it is necessary to support the Communist Party leadership and take the socialist road. Then they will firmly stick to their political direction and cherish love for the motherland and socialism.

Committee member Yang Jike and Comrade Zhang Gensheng respectively stated their views on protecting agricultural environment and how to break out of agricultural stagnation. Yang Jike noted that due to the emission of large amount of the "three wastes" harmful to industry, and due to the unreasonable development and utilization of natural resources, China has suffered quite seriously from pollution of the agricultural environment and ecological destruction. This has jeopardized agricultural production and the people's health to a certain extent. Therefore, in light of the special requirements for protecting the agricultural environment, we should formulate a comprehensive law which will mainly contain all-around and specific stipulations for protecting the agricultural environment. This will correspond to the law on environmental protection, which is designed mainly to control emission of wastes in the city. Zhang Gensheng said that to break out of agricultural stagnation, the first thing is to establish a strategy for ensuring the coordinated development of industry and agriculture. Meanwhile, efforts should be made to increase the overall productivity of agriculture, vigorously develop science and technology, ensure stability of the system of contracted responsibilities linked to output on a household basis, improve management at two levels, establish a socialized service network for agricultural production, and gradually accomplish agricultural modernization.

On behalf of committee member Ye Duzheng and deputy Sun Honglie, committee member Liu Dongsheng delivered a joint speech on the question of environmental protection. They said that the comprehensive development, utilization, control, and protection of resources and environment is a comprehensive undertaking that cuts across departments and regions. We cannot expect a certain department or region to solve the many problems involved. The state should undertake to make unified plans and arrangements and exercise a unified management.

In his speech, committee member Ma Man Kei said: An important task of China at present is to maintain the country's stability and unity and vigorously promote economic development. A stable situation is a prerequisite for economic construction. Only by promoting the economy can we set the people's minds at ease and do well in other fields of work. To accomplish these two great tasks requires the whole nation to work with one heart and one mind to remove all obstacles.

Committee member Mamtov Kurban noted that developing the education for minority nationalities is an important task of education in China. Thanks to the concern and attention of the party and the state, many effective policies and measures have been taken to bring about unprecedented historic development in education for minority nationalities, similar to the development of education throughout the nation. An educational network with special characteristics catering to minority nationalities has begun to take shape. He maintained that in developing nationality education, it is imperative to keep to the socialist direction; train people who adhere to the four cardinal principles and take a clear-cut stand in safeguarding the motherland's reunification; bring up outstanding young people who uphold unity among nationalities, cherish an ardent love for the motherland, and are loyal to the party and socialism; and cultivate a new generation of people who will resolutely struggle against splittist forces at home and abroad, and who have socialist consciousness, and are disciplined and educated.

In his speech, committee member Wu Dakun described what he heard and saw during his recent inspection tour to Guangzhou and Shenzhen.

Paper Profiles New Trade Union Leaders

HK2612032989 Hong Kong SOUTH CHINA
MORNING POST in English 26 Dec 89 pp 1, 6

[By Willy Wo-lap Lam]

[Text] Two conservative cadres have been appointed leaders of the All China [ACFTU] Federation of Trade Unions in a bid to boost Beijing's control over workers and labour organisations.

Mr Yu Hongen, president of the China National Coal Corporation and a former minister of coal industry, was appointed vice-president of the ACFTU at a meeting of the organisation's executive committee, which closed yesterday.

Mr Yu became concurrently first secretary of ACFTU's party committee.

Mr Yu replaced liberal leader Mr Zhu Houze, an ally of former party chief Zhao Ziyang and the late Hu Yaobang.

At the same time Mr Yang Xingfu, head of the General Trade Union of Shandong Province, was also made an ACFTU vice-president.

Mr Ni Zhifu, a former member of the Politburo, Retained his presidency of ACFTU.

The ACFTU is an umbrella organisation that coordinates and organises all official trade union activities in China. Beijing does not permit non-official, non-party labour organisations.

Analysts say yesterday's reshuffle is aimed at increasing the Chinese Communist Party's control of the trade union movement at a time when non-party labour organisations like Poland's Solidarity have played major roles in ushering in multi-party politics in Eastern Europe.

Mr Zhu, who was appointed head of the Propaganda Department by the late Hu Yaobang in 1985, was a keen supporter of the pro-democracy movement in Beijing last spring.

Last May the ACFTU donated 100,000 yuan (HK\$165,000) to student activists, and its staffers joined in pro-democracy marches.

At the same time Mr Zhu, who became union chief in late 1988, was faulted for failing to control the activities of non-party, "wild-cat" unions, many of which took active part in the democracy movements in both Beijing and other cities.

Chinese sources say that in order to avoid further splitting the ACFTU, which still harbours many liberal staffers, the "crimes" of Mr Zhu were not announced.

However, analysts say a party disciplinary "work committee" has been installed in the ACFTU since late June, and more of Mr Zhu's followers in the union will be purged.

Both Mr Yu Hongen and Mr Yang Xingfu are believed to be allies of Premier Li Peng and other conservative leaders.

An engineer by training, Mr Yu, 62, worked for 40 years with the Coal Ministry.

Mr Yang, who was also vice-chairman of the Shandong Province People's Congress, worked for units under the Petroleum Ministry for many years.

Mr Li Peng, who was in charge of the energy portfolio when he was vice-premier in the mid-1980s, is believed to have had a hand in the nomination of Mr Yu and Mr Yang to the ACFTU posts.

Yesterday's executive meeting also marked the political "resurrection" of Mr Ni Zhifu.

A former "model labourer" who rose to power on the coat-tails of the Gang of Four radicals, Mr Ni had been sidelined during the tenure of Mr Hu Yaobang and Mr Zhao Ziyang.

Chinese sources that Mr Ni, 56, has now been charged with restoring the CCP's control over the trade union movement.

In a speech to union rank and file yesterday, Mr Ni said that party control of trade union activities will be enhanced through the "dual leadership" system.

In future trade unions in factories and trade union organisations in localities will be subjected to the leadership of both the ACFTU and local-level party authorities, with the latter exercising "predominant" control.

Wu Xueqian Presents Awards to Overseas Chinese

OW3012001389 Beijing XINHUA Domestic Service in Chinese 0842 GMT 25 Dec 89

[By reporter Sun Yong (1327 0516)]

[Excerpts] Beijing, 25 Dec (XINHUA)—The first meeting in China for the purpose of presenting awards to the "ten news figures of Overseas Chinese in the new period" was held in the Great Hall of the People this morning. [passage on names of Overseas Chinese award-winners and nominees omitted]

Wu Xueqian, Ye Fei, Lu Jiayi, Zhang Guoji, Zhuang Yanlin, and Liao Hui presented trophies to the award-winners and presented certificates and souvenirs to the nominees.

The award meeting was cosponsored by the Overseas Chinese Affairs Office of the State Council, the All-China Federation of Overseas Chinese, and the newspaper HUASHENG [VOICE OF OVERSEAS CHINESE].

CYL Leader on Youth Center Work

OW3012095489 Shanghai City Service in Mandarin 1000 GMT 22 Dec 89

[Text] The first annual meeting of the All-China Association of Youth and Children Centers was held in Shanghai on the morning of 22 December. Some 100 outstanding youth and children center workers from 23 provinces and municipalities attended the meeting.

Those who attended and addressed the meeting included Li Yuanchao, secretary of the Central Committee of the Communist Youth League [CYL] and (Huang Yuqing), secretary of the Shanghai Municipal CYL Committee. (Liu Junjie), director of the Propaganda Department of the CYL Central Committee, delivered a work report.

In recent years, rapid development has been made in setting up youth and children centers in various parts of China. So far, more than 800 youth and children centers have been set up. Their activities are one of the most vigorous and solid works of the CYL. Since it resumed operations under its old name "Da Shi Jie [Great World] in January 1989, the Shanghai Municipal Youth and

Children Center has persistently worked with the objective of training young people with lofty ideals, moral integrity, knowledge, and a sense of discipline. Offering interesting recreational programs to youngsters, it is patronized by thousands of youth daily.

Li Yuanchao, secretary of the CYL Central Committee, called on the youth and children centers in various provinces and municipalities to combine education and recreation in a better way, and put social and moral education above all else in cultural activities.

Armed Police Commander Li Addresses Meeting

*OW3012232989 Beijing XINHUA Domestic Service
in Chinese 1431 GMT 30 Dec 89*

[By correspondent Pan Shiming (3382 0099 2494)]

[Text] Beijing, 30 Dec (XINHUA)—The enlarged meeting of party committees of the Armed Police Force which ended in Beijing today pointed out: Just like the PLA, the Armed Police Force, as a component part of the state Armed Forces, must firmly place itself under the absolute leadership of the party and obey its every command.

The meeting, which began on 25 December in Beijing, lasted 6 days. The meeting relayed the guidelines laid down by the enlarged session of the Central Military Commission and the All-Army Political Work Conference. Commander Li Lianxiu made a work report on behalf of the party committee of the Headquarters of the Chinese People's Armed Police Force. Political Commissar Zhang Xiufu, Deputy Commander Fan Zhilun and Deputy Political Commissar Zhang Haitian addressed the meeting.

In his work report, Li Lianxiu pointed out: Thanks to the concern of the CPC Central Committee, the State Council and the Central Military Commission, the Armed Police units over the past year have, under the leadership of the party group of the Ministry of Public Security, the local party committees and governments and the various public security organs, earnestly implemented the guidelines laid down by the 3d, 4th and 5th plenary sessions of the 13th CPC Central Committee and by the 1988 enlarged session of the Central Military Commission; strengthened themselves organizationally in an overall manner; and successfully fulfilled their various tasks in performing their duties. Particularly in the struggle to stop the turmoil and quell the counterrevolutionary riot, the Armed Police units used their own actual deeds to show their political qualifications to the party and the people. Their achievements are fully affirmed by the CPC Central Committee, the State Council and the Central Military Commission. They are highly praised by the broad masses. Five Armed Police officers and men were awarded the honorable title of "Guardian of the Republic" by the State Council and the Central Military Commission, and 676 collectives and more than 10,000 Armed Police officers and men won

merits and received awards. All this has fully demonstrated the firm stand and the true political color of the people's armed force.

In his work report, Li Lianxiu also said: The Armed Police units have also made achievements and progress in carrying out their work in other areas. Party building in the units was better in comparison with that in former years. New progress has been made in receiving education and training, improving style of work and enforcing discipline. Fairly significant improvements have been made in all areas at the basic-level units, and the logistic support for the police units has been strengthened. The police units assigned to protect water and electric resources, communications facilities, gold mines and forests have made new contributions to China's economic construction.

During the meeting, the representatives of police units of various police detachments; police academies under the direct administration of the headquarters; police units assigned to protect water and electric resources, communications facilities, gold mines and forests; border and fire-fighting police units; and the department in charge of police units doing guard duties had enthusiastically studied the guidelines laid down by the enlarged session of the Central Military Commission and the All-Army Political Work Conference, and earnestly discussed the guiding ideology and major tasks for the next year. Those attending the meeting held: The new leadership of the Central Military Commission has assigned us the important and pressing tasks of strengthening political building, ensuring the party's absolute leadership over the police force, and guaranteeing that all police units are forever politically qualified. The party committees at all levels must adopt effective measures to give top priority to fulfilling these tasks, since these tasks are something which will greatly affect the nature and development of all police units.

The meeting pointed out: To ensure that all police units are forever politically qualified, we must do the following:

1. Fully realize the significance of strengthening the police units politically under the new situation, and regard the task of strengthening police units politically as something of primary importance.
2. Pay full attention to strengthening ideological and political education among all police units, adhering to the four cardinal principles and opposing bourgeois liberalization.
3. Vigorously encourage police cadres to study Marxist theories, and help them raise their theoretical standards.
4. Strive to build the party organizations and leading bodies at all levels into militant collectives that are forever politically qualified.

5. Firmly grasp the struggle in the ideological sphere to combat corruption, and help the police units improve their abilities to resist corruption and guard against peaceful evolution.

At the end of the meeting, Wang Fang, state councillor and minister of public security and first political commissar of the Chinese People's Armed Police Force, made an important speech. He emphatically pointed out: To strengthen the armed police force politically, we must pay full attention to two basic issues. First, we must adopt a firm political stand. Second, we must remain pure organizationally. In any complex political storm, we must adopt a firm, clear-cut stand, and make even great contributions to safeguarding the party, the people's democratic dictatorship, the people's republic and the socialist system.

CYL Publication Cites 4 Jun Detainees

HK0512114689 Hong Kong AFP in English
1139 GMT 5 Dec 89

[Text] Beijing, Dec 5 (AFP)—In a rare disclosure, the Beijing authorities said Tuesday that 2,578 people were arrested as "ruffians" in the 24 days that followed the June 4 quelling of student democracy protests.

Only 190 have since been released, the official Beijing Youth News said, citing figures from the capital's Reform-Through-Labor Work Administration Bureau.

The figures were based on a survey by the bureau in five districts that were put under martial law on May 20, two weeks before tanks and troops converged on Tiananmen Square to quash the student-led reform movement.

The government has previously said that about 320 people were killed when troops and civilians clashed in what is officially regarded as a "counter-revolutionary rebellion."

Western sources, such as the human rights group Amnesty International, believe the real death toll may be 1,300 or more.

Tuesday's data was the closest the authorities have come to releasing a global figure on the number of people arrested and still in custody in Beijing, observers said.

But the figures dealt only with "ruffians," the official term used to describe civilians who attacked soldiers, police or military equipment on the night of June 3-4.

Left off the list would be students and workers jailed for their political beliefs when the Communist Party launched a major campaign to combat "bourgeois liberalization," or undesirable Western influences.

Western diplomats who have cobbled incomplete statistics from a variety of sources believe the total number of people arrested throughout China after June 4 could be as high as 10,000.

But they say they have no idea how many have been released, tried, sentenced, jailed or executed.

Tuesday's report said that detained "ruffians" were being held either in prisons or in labor camps, and that those who have been released were getting help from local authorities to find new jobs.

Detainees in China are often sacked by their workplaces when they are arrested.

Two More Beijing Protesters Get Death Sentence

OW0812143789 Beijing Domestic Service
in Mandarin 1030 GMT 8 Dec 89

[From the "National Hookup" program]

[Text] The Beijing Municipal Intermediate People's Court today adopted a verdict of the first instance of three criminals who cruelly killed martyr Li Guorui, guard of the republic, during the counterrevolutionary rebellion in Beijing. Men Duo and Zhou Jiguo, who were pronounced guilty of the counterrevolutionary crime of murder, were sentenced to death plus life-long deprivation of their political rights. Chen Yong, who was found guilty of the counterrevolutionary crime of murder, was sentenced to life imprisonment plus life-long deprivation of his political rights.

Men Duo, unemployed, had been confined in a delinquency reformatory and subject to education through labor due to theft. His term of education through labor was extended three times because he resisted being reformed.

Zhou Jiguo was a former employee of the (Huichui) restaurant run by the Beijing Municipal Electric Car Company's Labor Service Company.

Chen Yong was a former worker of the Water and Electricity Department of the First Company of Douhe Electric Station's (Zhongjian) Second Bureau in Tangshan City, Hebei Province.

After a trial by the Beijing Municipal Intermediate People's Court, it was proven that at 0500 hours on 4 June this year Men Duo, Zhou Jiguo, and Chen Yong, the three criminals, went to the vicinity of the Fuchengmen overpass in Xicheng District in Beijing Municipality. Together with other rioters, they surrounded and beat Li Guorui, fighter of the first brigade of the second detachment of the Beijing corps under the Chinese People's Armed Police, who was carrying out martial law duty on order. Men Duo hit Li Guorui's head and body with a shovel [tiexian] and a wooden handle [muba], stabbing and cutting him relentlessly and indiscriminately. Zhou Jiguo first kicked and punched Li Guorui. After Li Guorui fell to the ground, he used a stick to beat the body of Li Guorui indiscriminately. Chen Yong used a Sam Browne belt to repeatedly hit Li Guorui's back with full force. Li Guorui was beaten to death on the spot by the rioters. On the evening of 3

June, Zhou Jiguo also destroyed a tire of the No 130 automobile of a work team of the Capital Iron and Steel Company sent to maintain order at the (Zhanlan) intersection in the Xicheng District.

Economic Crimes by Law Enforcement Agencies Cited

*OW0201125990 Beijing XINHUA Domestic Service
in Chinese 0029 GMT 29 Dec 89*

[Text] Beijing, 29 Dec (XINHUA)—According to the Ministry of Justice, law enforcement agencies at various levels throughout the country have uncovered a number of serious cases of economic crimes within their own ranks, in accordance with the decision of the CPC Central Committee and the State Council to promote administrative honesty and to clamp down on corruption.

By the end of November, law enforcement agencies in the country had prosecuted 94 economic cases, each of which involved more than 10,000 yuan. A total of 112 persons, including a department-level cadre and 12 bureau-level cadres, were prosecuted. In addition to these, many other economic cases involving 37 bureau-level and higher-ranking cadres also have been prosecuted as major cases, even though the amount of money involved in each of these was less than 10,000 yuan.

According to a responsible comrade of the Ministry of Justice, these cases show that there are indeed an extremely small number of policemen who have disregarded the law, party discipline, and administrative regulations; who have succumbed to the lure of money; and who have violated the law even though they themselves were law enforcers. He said: Although the number of such corrupt and degenerative elements is small, their influence is pernicious and the damage they have done is substantial. To ensure that law enforcers are honest and clean, we will continue the struggle to promote honesty among government workers and against corruption for a long time to come. We will succeed to this end in the following four areas:

1. We will consider the leading groups as the primary objective in our effort to promote cleanliness in all enforcement agencies. We will make known to the public our operations, administrative affairs, the way we select policemen, the actual results of our work, and our welfare services. In addition, we will evaluate our performance in all these fields at regular intervals and accept the supervision of the masses. Our objective is to build these leading groups into practical, honest, and efficient collectives.
2. We will take strict measures to manage party and police affairs, and we will exert every effort to educate party members and policemen on the importance of honesty so as to heighten the political awareness of the rank-and-file. Law enforcement agencies at all levels will extol a number of units and individuals known for their progressiveness, and then we will encourage all other

personnel to emulate these units and personnel until hard work and honesty become a norm within law enforcement agencies.

3. We will continue to improve the system governing honesty and we will devise mechanisms whereby serious disciplinary regulations can be integrated with cadres' initiatives so that the soil that generates corruption can be reduced or even eliminated.

4. We will concentrate our efforts on prosecuting all major cases thoroughly. This is one of the main projects within the framework of our endeavor to promote honesty and to punish corrupt personnel. As for unfinished cases in our files, we will organize personnel to follow through on these cases until they have been handled thoroughly. We will verify the clues reported by the masses. For those units which have yet to fully mobilize the masses to expose major problems, we should continue to mobilize the masses to expose such problems. We must surmount all of the obstacles caused by nepotism and cronyism and resolutely fight against any intercession or favoritism. We will firmly resist all those who interfere in the process of handling cases and investigate their responsibilities, no matter who they are.

TV Serial on Ancient Science, Technology Begins

*OW1112215389 Beijing XINHUA in English
1521 GMT 11 Dec 89*

[Text] Beijing, December 11 (XINHUA)—A 100-part TV serial, "Ancient Chinese Science and Technology," premiered here today.

Produced by the China Association for Science and Technology, the serial follows the development of China's science and technology from the Yellow River Plain's Yangshao culture of 7,000 years ago and the Hemudu culture of Hangzhou Bay up to the Qing Dynasty (1644-1911).

Topics include the four great inventions (compass, papermaking, printing and gunpowder), famous scientists and technicians, astronomy and physiography, ancient architecture and many other fields, some of which are not generally known.

The association has completed six episodes, including a general survey of the 7,000 years, the Li Bing and Dujiang Irrigation Works in south China's Sichuan Province, the Temple of Heaven and the wonder of sonics, and several other scientists and inventions.

An association official said the TV serial aims to popularize the outstanding scientific and technological achievements of ancient China and to encourage "respect for knowledge and talent."

To ensure the accuracy and artistry of the program, he said, the association has invited dozens of leading scientists, experts on the history of science and technology, and film producers to advise the production group.

RENMIN RIBAO Carries QIUSHI Table of Contents*HK0201134090 Beijing RENMIN RIBAO in Chinese
31 Dec 89 p 6*

[Table of Contents for QIUSHI No 1, 1990]

[Text] Speech on 11 December 1989 by Li Peng at the conclusion of the national planning meeting: "Heighten Our Spirit, Strengthen Our Confidence, Strive To Do Economic Work for 1990 Well"

Editorial: "A Year of Crucial Importance"

Article by Hu Ping: "Have a Correct Understanding of the Market Situation, Actively Do a Good Job in Commodity Circulation"

Article by Jin Fushou: "Tentative Discussion on Change and Establishment of Agricultural Input Mechanism"

Article by Huang Hong: "On 'Theory of Improvement' of Ideological and Political Work"

Article by Tian Shugen: "Effectively Enhance Sense of Principle in Ideological and Political Education"

Article by Shi Dazheng: "Real or Made-up 'Perplexities?'—Discussing With Comrade Zhang Guiliang"

Article by Feng Xianzhi: "Mao Zedong and His Secretary Tian Jiaying (in Installments)"

Article by Li Xiangming: "A Magnificent Picture Scroll, a Lively Paean—Joyously Watching Central Television Station's 'A Snap of the Fingers'"

Article by Zhu Wenbin: "Pursuits of a Military Artist"

Military**Defense Minister Qin Jiwei Reportedly Resigns***HK0201072590 Hong Kong CHENG MING
in Chinese No 147 1 Jan 90 p 8*

[Article from "Reference News Column" by Hsiang Ming (0686 2494): "Qin Jiwei Has Allegedly Resigned From the Post of Minister of National Defense"]

[Text] There is information reportedly from a military source that Minister of Defense Qin Jiwei has tendered his resignation. Qin made the request to quit his post on the grounds of poor health. However, the report does not say if he has also resigned from his post as a Central Military Commission member, and he appears to be in good health.

Li Tieying Visits University Students in Training*OW0101195490 Beijing XINHUA in English
1609 GMT 1 Jan 90*

[Text] Shijiazhuang, January 1 (XINHUA)—Li Tieying, member of the Political Bureau of the Chinese Communist Party Central Committee and minister in charge of

the State Education Commission, today celebrated the New Year's Day together with Beijing University students who are now under military training at the Shijiazhuang Army Academy.

Li listened to accounts of the students' military training at the academy and reviewed the march-past of the students.

Some 700 Beijing University freshmen began their one-year military training here last October.

Liu Huaqing Urges History of Military Academy*HK2712030589 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 26 Dec 89*

[Excerpts] In Beijing on 21 December, Admiral Liu Huaqing, vice chairman of the Central Military Commission, listened to the report given by the Alumni Association of the Second Field Army Academy and by the comrades of the planning committee for research on the history of the academy. He demanded that they write a good history of the academy, so as to let the young generation realize the contributions to the party and people made by the great masses of young intellectuals who responded to the party's call and took part in the revolution 40 years ago. He said that their action has educational significance for the contemporary youth. He also demanded that the alumni association bring the alumni together to continue developing the glorious tradition of our Army and party, and to contribute their own strengths to upholding the four cardinal principles, reform and opening up. [paragraph omitted]

In Chongqing, the executive group of the planning committee of the Alumni Association of the Second Field Army Academy convened and looked into various planning tasks. According to our information, the Alumni Association of the Second Field Army Academy will be formally established in the first half of next year.

Economic & Agricultural**Editorial Denies Economic Policy Changes***OW2612032889 Beijing RENMIN RIBAO in Chinese
24 Dec 89 p 1*

[Editorial: The Policies of the Party and the State Will Not Change]

[Text] For a period of time, there has often been such hearsay as a "certain policy will change" and a "certain policy has changed" in society. This hearsay obstructs the implementation of the principle of improving the economic environment, rectifying economic order, and deepening the reform. For this reason, it is necessary to give a clear and definite answer to this question.

At present, most misgivings are about economic policies for furthering the work of improving the economic environment and rectifying economic order. For

instance, there are doubts about whether the policy on the special economic zones and the policy on joint ventures, cooperative enterprises, and wholly foreign-owned enterprises will change; whether the policy on the output-related system of contracted responsibilities, mainly on the household basis in rural areas, will change; and whether the policy of the state concerning individual economy and private economy will change. In short, people are afraid to return to the old road that was taken before reform and opening to the outside world. In order to deceive people and create confusion, some people with ulterior motives abroad also propagandize with such comments as "the Communist Party has changed its policies" and "the reform is going backward".

Since the 4th Plenary Session of the 13th CPC Central Committee, the party Central Committee and the State Council repeatedly emphasized that the general policy of reform and opening to the outside world will not change, and they will maintain the continuity and stability of the policy of reform and opening to the outside world. General Secretary Jiang Zemin pointed out in his National Day speech: "The various policies and measures on reform and opening announced by the party Central Committee and the State Council, including the basic policies and measures for the special economic zones and the open areas along the coast, should be further implemented and perfected step by step." The State Council recently reiterated that the policy of practicing the output-related system of contracted responsibilities on a household basis in rural areas will remain unchanged; the policy on the contract system of enterprises will remain unchanged; the policy on the system of the plant director assuming full responsibility will remain unchanged; the policy of developing multiple economic sectors under the precondition that public ownership is the main part will remain unchanged; the policy on the system of financial contract between central and local governments will remain unchanged; the policy of continuing to import advanced technology, use foreign capital, and attract foreign investment in China will remain unchanged; and the basic policies and measures for the special economic zones and the open areas along the coast will remain unchanged. This is the best answer to the question of "whether the policies will change." The talk about possible policy changes being circulated in some localities and organizations is unfounded. The talk about "reform going backward" is particularly nonsensical.

Our party's general policy is to carry out reform and open to the outside world. Only by carrying out reform and opening to the outside world can we better bring into play the superiority of the socialist system. Upholding the policy of reform and opening to the outside world is in keeping with the upholding of the four cardinal principles. Since our economy has greatly developed and the people's living standards have remarkably improved in the 10 years of reform and opening to the outside world, what reason do we have for changing the principle and policy of reform and opening to the outside world?

Of course, when we say that "the policies will remain unchanged," we mainly mean that the basic orientation and basic contents of various economic policies will remain unchanged. We are not saying that the policies need no supplementation or improvement. To supplement and improve a policy is to adhere to it in an even better way. In the course of implementing a policy, we should constantly readjust and improve it according to situation changes and actual circumstances. For instance, the system of financial contract between central and local governments has not changed. However, some localities experienced greater economic development and greatly increased their revenues in the last several years. While the state is having financial and foreign exchange difficulties, those localities should be required to contribute more to the state. This is a necessary readjustment made in accordance with situation changes and is not a change of the basic policy. "Continuity" and "stability" of a policy do not conflict with "supplementation" and "improvement" of the policy. They serve the same purpose of making the policy better and more helpful to the implementation of the general policy of reform and opening to the outside world.

To supplement and improve a policy is to deepen reform. The party Central Committee and the State Council called on the special economic zones to make great efforts to use foreign capital, import technology, and increase export by developing local production. This is precisely for the purpose of bringing into play the strong points of the special economic zones and enhancing their vitality and competitive ability. The practice of buying from and selling to the domestic market on speculation by taking advantage of the price differences between the special economic zones and domestic market has never been permitted. To ban such a practice is to uphold the original policy in an even better way, not a change of the policy. It is necessary to crack down and ban smuggling and other illegal activities in order to uphold the dignity of the law and maintain public order. As for the policy on joint ventures, cooperative enterprises, and wholly foreign-owned enterprises, as everyone knows, we now welcome more than ever before foreign businessmen and firms, Hong Kong, Macao, and Taiwan compatriots, and Overseas Chinese compatriots to invest in China. Moreover, we are enacting even better laws and regulations, constantly improving the investment environment, giving investors more benefits, and creating even better conditions for the development of joint ventures, cooperative enterprises, and wholly foreign-owned enterprises.

Efforts must be made to encourage the continuous development of individual and private economy. The answers carried by the 6 December issue of RENMIN RIBAO in response to questions raised by readers reaffirms this policy. As long as those who run individually and privately owned enterprises abide by the law in doing business and pay their taxes in accordance with the regulations, they can feel at ease in managing their

businesses. In the course of improving the economic environment and carrying out the economic order, state-run enterprises cannot possibly hire more people. Thus, there is a greater need for us to develop privately and individually owned business establishments in order to invigorate the economy and to create more jobs. This is a contribution to the state and to society. The practices of checking tax evasion and of preventing privately-run enterprises from palming themselves off as collective enterprises in order to enjoy preferential treatment in the paying of taxes, and from carrying out fraud under the banner of collective businesses, reflect a firm implementation of state regulations. It should not be interpreted as a change of policy. It is an implementation of policy.

In order to dispel worries in the minds of the people about "policy changes," it is important to do a good job in carrying out propaganda and education work. More important is the fact that we must rely on actual deeds in strictly enforcing party and state policies. The masses are very realistic. They look at the facts to determine whether there has been a policy change. Some time ago, a few localities willfully carried out practices that do not conform with state policies. With regard to the work of grain procurement, for example, the state stipulates that peasants may sell their surplus grain crops on their own after they have fulfilled their contracts. However, some localities have ruled that no grain crops can be sold on the market. No wonder the masses have complained that the policy has changed. Some localities also have claimed that the arbitrary demands for money, manpower, and materials and the charging of fees are the policy of the central authorities. Such a claim has aroused strong resentment among the masses. This is absolutely impermissible. We must make a thorough investigation of the facts and seriously deal with such cases. This kind of practice of each going his own way and willfully changing policies despite repeated injunctions from the central authorities must be resolutely stopped. We must recognize the serious nature of party and state policies. Facts show that wherever policies are not well implemented, there is a growing feeling of insecurity and work slows down; wherever policies are well implemented, people feel more secure and the economy booms. Since the beginning of this year, news about the number of individually owned business establishments being on the decline has been reported in some localities. However, the number of individually owned commercial and industrial establishments in Beijing Municipality has increased instead of decreasing as the result of the continuous and firm implementation of the policy on individual economy in Beijing. As of the end of November, the number of such individually owned establishments had increased by 17,000 since the end of 1988. The volume of business has also grown quite vigorously. From this we can see that if we are to dispel the worries of the masses and continue to whip up the enthusiasm of the people in developing a socialist planned commodity economy, then the most important thing is to ensure that all leading organs and cadres firmly act in accordance with party and state policies.

We need a stable environment to fulfill the various tasks in improving the economic environment, rectifying the economic order, and deepening the reform. Stability overrides everything else. Economy is our foundation. In order to achieve social stability, all economic policies must remain stable. In the course of improving the economic environment and rectifying the economic order, the party Central Committee and the State Council have time and again stated that the policies for the development of the productive forces which have emerged as required in the course of reform over the past few years will remain unchanged. Such statements are of great significance. It is hoped that the broad masses of cadres will further raise their awareness in firmly implementing policies and work harder than ever before to overcome temporary economic difficulties and fulfill the various tasks in improving the economic environment, rectifying the economic order, and deepening the reform.

Statistics Detail Grain, Energy Gains

OW0101133490 Beijing XINHUA in English
1240 GMT 1 Jan 90

[Text] Beijing, January 1 (XINHUA)—State Statistics Bureau data released recently reveal that in the past year the contradiction between social supply and demand has eased, price rises have slowed down, the overheated economy has cooled and a sustained development of national economy has been achieved.

China harvested 407.45 million tons of grain last year, a record high. The coal production amounted to one billion tons, making China the largest coal producer in the world. The country's steel production reached 60 million tons.

In addition, the year's power production was 580 billion kwh, fulfilling the Seventh Five-Year Plan (1986-1990) target one year ahead of time. The tobacco industry has, in the past seven years, turned over 100 billion yuan in profits and taxes to the state. In the construction field, dozens of large projects in the power, petroleum, chemical, coal, railways and communications industry have been built.

Director of the bureau Zhang Sai said China's gross national product and national income in 1989 are estimated to have increased by about four percent and 3.5 percent, respectively, as compared with the previous year.

Further statistics show that inflation has been slowed. Last year's cut in total investment in fixed assets is estimated at 40 billion yuan. The purchasing power of social and government institutions was limited within some four percent. Price rises slowed with each passing month and were down to one digit in October. Last year's general price index is expected to be lower than the previous year's.

Moreover, bank savings increased by more than 120 billion yuan. The total urban and rural bank savings deposits could surpass 500 billion yuan, according to the bureau.

While implementing the policy of economic rectification, reform has achieved new progress. Enterprises overcame various difficulties, continue to perfect the contract responsibility system, strengthened their management and contributed to a sustained development of the national economy.

In addition, China made new achievements in foreign economic relations and trade. Last year's total volume of imports and exports was expected to amount to 110 billion U.S. dollars, about 10 percent more than the previous year's.

Over the course of the year, China signed 5,000 projects on use of foreign capital, which had a combined contractual volume of 10 billion U.S. dollars. In addition, tourism started to pick up again in the late months of 1989.

Commentator Views Economic Pains, Steel Industry
HK3112062889 Beijing CHINA DAILY in English
30 Dec 89 p 4

[By CHINA DAILY commentator]

[Text] News came prior to New Year's Day that China's yearly steel output has risen to 60 million tons.

Production has doubled in a little more than a decade. Now only three other countries produce as much or more—the Soviet Union, Japan and the United States.

Industrialization had been the nation's dream for over more than 100 years. It is only under socialism that the dream has come true. But the development of socialist China has not been smooth, as is the development of the steel industry.

People of middle age or above still remember the year 1958, when millions of them were struggling at primitive "backyard furnaces" trying to add another 5 million tons to the country's annual steel production, but only wound up in failure and waste of human and material resources.

This is why the public is proud of the recent 30 million-ton increase. They owe this major difference to the reform and open policy introduced since late 1978.

During this period, the leading steelmakers have improved their level of technology and management, and produced some of the nation's earliest and most successful examples of the contractual management responsibility system in industrial enterprises.

Viewing 1989 in retrospect, it is encouraging to note that the ongoing economic consolidation effort has placed

emphasis on the so-called basic sectors of the economy—supplies of materials and energy and construction of public infrastructures.

The increase in domestic production will help curtail demand for foreign steel products, one of the country's major imports. The government will start from next year applying strict control on steel imports, as the Ministry of Metallurgy announced early in December. This is a welcome move, because with an economy of such a size, China will have to become basically self-reliant. A wise thing to do is to best utilize its own resources in developing better quality and more varieties of steel products and save hard-earned foreign exchange for technological upgrading.

Indicator

The experience of the industry is an indicator of the profound changes that the reform and open policy has brought on in China. The significance of more steel is not simply that there is more. It means growth in the nation's wealth and the ability to have more opportunities for development of other industries. The beneficiary of the reform and open policy is all the people.

That there is more steel also indicates how necessary a consolidation is to amplify the initial success of the reform and open policy and correct some of its deviations.

The economy is now facing some temporary pain. Many enterprises suffer from a tightening money supply and slackening of businesses. But these are not cause for scaling down economic consolidation and the austerity programme, not to say the reform that has yielded such remarkable achievements over the last decade, including in the steel mills.

The economy's current growth pains can only temper its strength and increase its efficiency. It is hoped that 1990 will bear testimony to the people's united endeavour to overcome difficulties and let the economy enjoy sustained and healthy development in the new decade.

'Bumper Harvest Program' Achieves Good Results
OW0301114490 Beijing XINHUA in English
0724 GMT 3 Jan 90

[Text] Beijing, January 3 (XINHUA)—A national program aimed at achieving bumper returns in agriculture, animal husbandry and fisheries by applying advanced, practical and comprehensive scientific and technological methods has helped increase total output value in these fields by eight billion yuan (about 1.7 billion U.S. dollars).

The program has been implemented throughout the country jointly by the Ministries of Agriculture and Finance for three years.

As a result, comprehensive farming techniques have been promoted on more than 20 million ha of grain, cotton and oil-bearing crops.

An additional output was recorded in the period of 9,780 million kg of grains, 150 million kg of ginned cotton, 3,500 million kg of sugar, 340 million kg of vegetables and 9.91 million kg of fruits. Meanwhile, the program also resulted in increases of 3.39 million kg of rubber, 204 million kg of meat, poultry and eggs, 10.03 million kg of milk, and 118 million kg of fish, shrimps and other aquatic products.

In the past three years more than 200,000 scientists and technicians have been mobilized to spread the findings of scientific and technological research in agriculture, animal husbandry and fisheries. Besides, over one billion yuan (about 210 million U.S. dollars) has been invested in the program.

Now, an effective administrative network for continuing to implement the program has been set up throughout the country and more favorable results are expected in the future.

East Region

Shandong People's Congress Meeting Ends 29 Dec

SK3012040089 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 29 Dec 89

[Text] The 8-day 13th standing committee meeting of the 7th Shandong Provincial People's Congress concluded in Jinan on 29 December. The session decided to hold the third session of the seventh Shandong Provincial People's Congress in Jinan on 25 February 1990.

At the 29 December plenary session, members endorsed, through the electronic voting machine, the decision of the Shandong Provincial People's Congress Standing Committee on the date to convene the third session of the seventh provincial people's congress, the regulations of Shandong Province on management of collective industrial enterprises of townships, towns, and villages, the regulations of Shandong Province on management of rural collective economic contracts, the regulations of Shandong Province on management of water resources, the regulations of the Shandong Provincial People's Congress Standing Committee on supervisory work, the methods of Shandong Province for enforcing the PRC Law on Assembly, Parade, and Demonstration, the methods of Qingdao City for management of city appearance and environmental sanitation, the methods of Qingdao City for protection and management of age-old trees and famous tombs, the report of the legal committee of the provincial people's congress on results of examination of relevant motions submitted by the presidium of the second session of the seventh provincial people's congress, and the decision of the Shandong Provincial People's Congress Standing Committee on increasing the number of the deputies to the Jinan, Zibo, and Jining City People's Congresses. They elected additional deputies to the seventh National People's Congress, and approved by vote the list of names of the personnel of the provincial people's government to be appointed and removed which had been submitted by Provincial Governor Zhao Zhihao to the provincial people's congress standing committee for decision, and the report submitted by Zang Kun, chief procurator of the provincial people's procuratorate, on appointments and removals of procuratorial cadres.

Wang Shufang, vice chairman of the provincial people's congress standing committee, presided over the 29 December plenary session. Attending were Li Zhen, chairman, and Lu Hong, Xiao Han, Xu Jianchun, Lin Ping, Xu Sen, Yan Qingqing, and Li Ye, vice chairmen of the provincial people's congress standing committee. Attending as nonvoting delegates were Song Fatang, provincial vice governor, and responsible comrades of the provincial higher people's court, the provincial people's procuratorate, the various special committees of the provincial people's congress, relevant departments of the provincial government, people's congress standing committees of the cities under the jurisdiction of the

province, people's congress work committees of prefectures, and some county and city [shi] people's congress standing committees.

Shandong Chief Procurators Meeting Ends

SK2812045289 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 27 Dec 89

[Text] The provincial meeting on the work of chief procurators ended on 27 December. It was learned at the meeting that the main tasks of the procuratorial organs throughout the province in 1990 should be focused on making continued and resolute efforts to fight corruption and bribery, dealing strict blows to criminal activities, and guaranteeing the smooth progress of improvement, rectification, and deepening of reform.

In view of the fact that the trend of criminal activities concerning corruption and bribery has not yet been fundamentally checked, the participants at the meeting called on procuratorial organs at all levels throughout the province to consider the struggle against corruption and bribery as their work emphasis of next year, and through implementing the system of having chief procurators at all levels personally handle cases and the system of sharing the responsibilities of handling major and appalling cases to different levels, concentrate energy and strength on making breakthroughs in cracking major and appalling cases. The broad masses of procuratorial personnel should have the courage to handle cases and thoroughly investigate major and appalling cases regardless of which units or persons are involved in the cases until the whole thing is exposed. In addition, the procuratorial organs at all levels should make continued efforts to uphold the principle of dealing heavy and quick blows to criminals in line with the law, conscientiously analyze the social security development trend, spotlight the focal point of the work of dealing blows to criminals of various localities, and purposefully deal severe blows to serious criminal activities. It is necessary to resolutely implement the guidelines of the party Central Committee's directive that one must be thorough in exterminating the evil to prevent any future trouble, thoroughly investigate and strictly handle a small handful of key elements and behind-the-scene persons emerged during the turmoil and rebellion, and strive to create a stable social environment for improvement, rectification, and deepening of reform.

Zang Kun, chief procurator of the provincial People's Procuratorate, delivered a work report entitled: Strictly punish criminal offenses concerning corruption and bribery and serious criminal activities in order to guarantee the smooth progress of improvement, rectification, and deepening of reform.

Shanghai Continues Clean Government Campaign

HK2712022389 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0159 GMT 14 Dec 89

["Special Contribution" by Lin Yang (2651 2254): "Shanghai's Campaign Aimed at Building a Clean Government"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 14 Dec (ZHONGGUO TONGXUN SHE)—An upsurge in eliminating corruption and building a clean government has appeared in Shanghai, the largest industrial and commercial city in China. In recent months, systems and regulations for preventing corruption and keeping a clean government were formulated; supervisory organs were set up; and the procedures and results of the handling of public affairs were made public. The momentum of develop was being gathered. However, what commoners are most concerned about is whether all this is merely a gust of wind which will soon disappear, or one which will be consistently carried on, thus institutionalizing and perpetuating efforts for keeping a clean government.

Like in other parts of the country, corruption also existed in Shanghai. Some rather senior government officials used their power to seek private gains and take graft. Bribery existed covertly or even overtly in some cases, and had a very bad impact on the public. On the other hand, commoners were fleeced by some cadres and institutions directly in charge (such as public security offices, industrial and commercial administrative offices, tax offices, grain administrative offices, housing administrative offices, and power administrative offices). In some cases, "they did not handle applications if no gifts were presented to them." All kinds of people holding bigger or smaller powers behaved in various dishonest ways when performing their official functions. In minor cases, they asked for lavish dinners or bribes. In more serious cases, they extorted large sums of money and valuable goods. A considerable number of people were involved in such corrupt practices, and this seriously degenerated public conduct and morality and evoked public resentment.

When Jiang Zemin was still a party secretary in Shanghai, he repeatedly stressed that a clean government must be ensured by leading cadres. He also instructed the Shanghai Municipal Supervision Department to "strictly check and control" the 506 cadres at and above the bureau level. In August, Shanghai carried out the activities of "building a clean government and serving the people" and began to establish anti-corruption regulations. After Jiang Zemin went to Beijing to take the job of general secretary, Zhu Rongji, the mayor who became concurrently the municipal party committee secretary, followed the rules established by his processors and successively formulated seven sets of regulations, including the "Provisions on Leading Cadres at and above the Bureau Level in Government Institutions Maintaining the Style of Hard Work and Plain Living," the "Interim Provisions on the Handling of Discipline Violation Cases in Shanghai," and the "Provisions on Leading Cadres in Enterprises and Institutions Owned by the Whole People To Stay Honest and Incorrupt in Shanghai." The regulations included the provisions on restraining dinners and gifts given to officials and controlling their use of houses and cars. In grass-roots units and institutions, stress was laid on making public the procedures for handling public affairs and on linking the

appraisal of cadres and the methods of giving awards and penalties to their behavior and work performances in keeping incorruptibility.

The established systems and regulations must also be conscientiously implemented and must require effective supervision. Otherwise, they would become a mere scrap of paper. Therefore, the Shanghai Municipal Supervision Department, while performing its supervisory duties, has invited some retired cadres and democratic party leaders to be special supervisors. Supervisory networks were set up in the whole city. Special post office boxes and telephone hotlines were set for receiving complaints and accusations. In the first half of this year, the supervisory organs received 1,429 complaints and accusations. Now, officials at all levels in Shanghai have substantially improved the conditions in abiding by law and discipline and maintaining the honest style of work, and have also enhanced their work efficiency.

A good beginning has been made in the efforts to keep a clean government, but this is not enough. More importantly, the work of maintaining a clean government must be consistently carried on for a long time, and must be institutionalized and become part of the legal system. Only thus can people have confidence, and their supervision be based on laws and regulations.

Zhejiang Steps Up Rural Grass-Roots Work

OW2912090889 Beijing XINHUA Domestic Service
in Chinese 0728 GMT 25 Dec 89

[By Reporters Xu Qun (6079 5028) and Shen Haixiong (1957 3189 7160)]

[Text] Hangzhou, 25 Dec (XINHUA)— Zhejiang Province is stepping up its efforts in building rural grass-roots organizations to make sure that the party's line, principles, and policies are implemented in a practical way at the rural grass-roots level.

In 1987 the Zhejiang Provincial Party Committee issued a document for this purpose, calling for stepped up efforts in building rural grass-roots organizations as the central task for rural work and as a breakthrough for deepening reform in the rural areas. During the past 3 years, Zhejiang Province has focused attention on the following three areas:

1. Step up the building of leading bodies of backward party branches and village committees. It has readjusted the leading bodies in backward villages by holding elections, making new appointments, and transferring back old members or training new ones. In these 3 years the province has transferred more than 2,100 cadres from county, district, and township (town) offices to work in some 1,800 backward villages and launched a number of economic projects, for which a number of peasants have been trained as the backbone force.
2. Strive to perfect the social service system in poor villages. At present, the province has more than 1,800 social service organizations which have reached a certain

size and possess some economic power. These organizations provide a series of services, ranging from those provided prior to production to those provided during and after production.

3. Conscientiously honor the promise of remunerating village cadres and gradually practice the pension system to keep the rural cadre ranks stable.

As the result of its efforts in the past 3 years, Zhejiang Province has brought about a tremendous change to its rural grass-roots organizations. The number of backward villages in the province has been cut down to less than 15 percent of the total.

Central-South Region

Guangdong Establishes New Unemployment Organ

HK2812030489 Hong Kong WEN WEI PO in Chinese
28 Dec 89 p 3

[Text] Guangzhou, 27 Dec—Guangdong Province decided to set up a special organ to deal with problems caused by the increase in jobless people after the economic adjustment.

The provincial government recently issued a circular, requiring all localities to help enterprises develop production and overcome difficulties according to the principle of "less closedown and stoppage, and more mergers and production shifts." The circular also requires state-owned enterprises to issue standard wages and subsidies to their workers in the period of production stoppage. If the enterprises have financial difficulties, the departments in charge and local governments should help them solve these difficulties, or they may contract loans from banks.

Hainan Cracks Gun Trafficking Cases

HK0101072090 Hong Kong WEN WEI PO in Chinese
1 Jan 90 p 17

[Text] News from Haikou: Hainan Province is taking strong measures against the illegal and criminal activities of making, trafficking, and keeping guns and ammunition. Over the past 2 months or so, it has uncovered a total of 116 underground gun-making workshops and 42 gun-trafficking haunts, and it has seized 33,156 guns together with a large quantity of ammunition.

With the close cooperation of the procuratorial, legal, and judicial departments, the public security organs at all levels in this province have arrested a total of 3,423 criminal offenders, of whom 244 have committed crimes with guns. Some 2,045 criminal cases have been cracked, of which 131 involved the use of guns, and 250 criminal groups have been uncovered, of which 39 have used guns.

Henan Secretary Attends Commendation Meeting

HK2812154189 Zhengzhou Henan Provincial Service
in Mandarin 1030 GMT 27 Dec 89

[Excerpts] This morning, the Henan Provincial People's Government held a meeting to commend advanced scientific and technological personnel.

The meeting was attended by provincial party, government, and military leaders, including Yang Xizong, secretary of the Henan Provincial CPC Committee, Zhao Di, deputy secretary of the Henan Provincial CPC Committee, Han Jingcao, vice chairman of the Henan Provincial CPC Advisory Committee, and so on. [passage omitted]

On behalf of the Henan Provincial People's Government, Yu Youxian, vice governor of Henan Province, delivered a speech at the meeting. [passage omitted]

Hubei Secretary Attends Memorial Meeting

HK2812153589 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 27 Dec 89

[Excerpts] The memorial meeting for Comrade Xu Daoqi, former chairman of the Hubei Provincial CPC Advisory Committee, was held in Wuchang today. Comrade Xu Daoqi passed away at the age of 75 in Wuchang on 22 December.

The CPC Central Advisory Commission and party and state leaders, including Li Xiannian, Wang Zhen, Bo Yibo, Song Renqiong, Wang Renzhong, and so on, either presented wreaths or sent telegrams of condolence. [passage omitted]

Comrade Xu Daoqi's memorial meeting was presided over by Guo Zhenqian, deputy secretary of the Hubei Provincial CPC Committee and concurrently governor of Hubei Province. Guan Guangfu, secretary of the Hubei Provincial CPC Committee, delivered the memorial speech. [passage omitted]

Hubei Sentences Six 'Serious' Economic Criminals

HK2612045289 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 22 Dec 89

[Text] Wuhan City Intermediate People's Court made a court decision in accordance with the law on six serious economic criminals on 22 December. These six criminals are the first group of serious economic criminals punished after the days of grace, as stipulated in the expired notice issued by the Supreme People's Court and Supreme People's Procuratorate.

(Zhang Guorong), former deputy chief of the Overseas Chinese Affairs Office in Hanyang District of Wuhan City, abused his power from 1986 to 1989 in implementing the policy for persons who were sent to mountainous areas and countryside to take a bribe in a sum of more than 220,000 yuan from 55 households which intended to transfer their registered permanent residence

to Wuhan City. During the days of grace stipulated in the notice issued by the Supreme People's Court and Supreme People's Procuratorate, he refused to surrender himself to the procuratorate organ. The court therefore sentenced him to death in accordance with law.

Three other economic criminals who are guilty of serious criminal offenses and refuse to surrender themselves to procuratorate organ were also sentenced to death, sentenced to death with a reprieve, or sentenced to a set term of imprisonment.

In regards to two criminal elements who surrendered themselves to procuratorial organs and took active measure to give up their ill-gotten gains, they were shown leniency by the court in accordance with law. (Fang Jingxian), who was guilty of graft, was immediately released after the court decision was announced.

Hunan Secretary Gives Awards for Good Harvest

HK2512074889 Changsha Hunan Provincial Service in Mandarin 2300 GMT 20 Dec 89

[Excerpts] Yesterday afternoon, a conference room on the 4th floor of (Fenglin) Guesthouses, which is located at the foot of Yuelu Hill, was as warm as in spring, despite the cold weather outside. On behalf of the State Council, when Xiong Qingquan, provincial party secretary was awarding a prize of Winner of Summer Harvest of Grain and Oil-bearing Crops to Hunan Provincial People's Government, (Xie Changsheng), deputy secretary general of the provincial government was very happy. He stepped forward to receive the prize, and held it high. At that time, the audience burst into thunderous applause.

Twenty-three people's governments at city and county level in our province, including Yueyang Prefecture, Shuangfeng County, and others, were awarded for their good summer harvest of oil-bearing crops. Nine people's governments at prefectural level, including Xiangxi Autonomous Prefecture, were awarded for their good harvest in summer grain. Five people's governments at county level, including Miluo County and others, were also awarded for their good harvest in summer grain and oil-bearing crops. In the meantime, the Ministry of Agriculture also conferred an honorary title of Winner of Summer Harvest of Grain and Oil-Bearing Crops on agricultural departments of the people's governments mentioned above. [passage omitted]

Governments and agricultural departments at all levels in our province, under the leadership of the provincial CPC Committee and the provincial government, mobilized the people since last autumn to participate in the competition of agricultural production. Due to their effective organizational work and perfect measures, the acreage under grain and oil-bearing crops in the majority of prefectures, cities, and counties in our province was larger than last year. In addition, they also did a good job in breeding and field management. As a result, our province reaped a bumper harvest of summer grain and oil-bearing crops. Our total production output of summer grain was close to the

previous record high, and our total production output of summer oil-bearing crops was 8.5 percent higher than the previous record high. Our speed of development ranked first in the whole country.

Responsible comrades from the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress Standing Committee, and provincial government who attended yesterday's prize-giving ceremony included Dong Zhiwen, Wang Zhiguo, Cao Wenju, Zhuo Kangling, and others.

At the prize-giving ceremony, an honorary title of model promoter of hybrid rice skills was conferred on 30 people who made contributions to popularizing the skill, including (Shen Chongqing) and others. In addition, 203 comrades, including (Wan Nanfu) and others, were also awarded for their contribution to popularizing hybrid rice skills.

Vice Provincial Governor Zhuo Kangning addressed the prize-giving ceremony.

State Approves Hunan Plan for 1990's

HK2612050789 Changsha Hunan Provincial Service in Mandarin 2300 GMT 23 Dec 89

[Text] The Hunan plan for economic, scientific and technological, and social development by 2000 was approved by the State Science and Technology Commission in Changsha yesterday. The experts and scholars participating in the plan examining and approval meeting agreed that the plan had been properly, rationally, and systematically formulated and had rich and comprehensive content. With a pretty high academic standard, this plan provides experience of universal significance to strategic study, standardization, system engineering, and other soft sciences. It is worth recommending to other provinces for reference. And the experts believed that the plan had attained an advanced standard as compared with other study projects of the same kind in the country.

The formulation of the Hunan plan for economic, scientific and technological, and social development by 2000 took 1 years and 9 months to complete, from March 1988 to November 1989. According to this plan, Hunan will focus its attention on the readjustment of three aspects: First, to strengthen such basic sectors as agriculture, basic industries, communications and telecommunications, and energy industry; second, to consolidate and develop such pillar sectors as machine-building, electronics, food production, petrochemical, metallurgical, and textile industries; third, to strive to develop the machine-building, electronics, and petrochemical industries into leading industries and at the same time give strong support to new and developing industries and the production of marketable products with high added value.

Present at the plan examining and approval meeting were leading comrades from the State Science and Technology

Commission, the State Planning Commission, the Development Research Center under the State Council, and the provincial party committee and government, including Chen Bangzhu, (Zhang Tan), Wan Da, Sun Wensheng, Wang Zhiguo, Cao Wenju, Yin Changmin, (Fang Hao), (Tang Weicheng), and (Lan Shiliang).

After the approval of the plan, Chen Bangzhu said: Now that the Hunan plan looking toward 2000 has been approved, from now on we must earnestly implement this plan. During the period covered by this plan, we in Hunan must go into action to step up the province's modernization program, focusing our attention on solving the problem concerning the population, farmland, and food supply; that concerning energy, communications, and basic industries; and that concerning scientific and technological development, education, and technical personnel training.

Southwest Region

Guizhou Party Chief Stresses Party Building

HK2712145789 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 25 Dec 89

[Excerpts] Speaking at the provincial organization work conference that ended on 24 December, provincial party committee Secretary Liu Zhengwei emphatically pointed out that strengthening party building affords a perpetual guarantee for maintaining political and economic stability.

Provincial party and government leaders Su Gang, Zhang Yuhuan, Long Zhiyi, Zhang Shukui, Liu Hanzhen, (He Renzhong) and Song Shugong attended the meeting. [passage omitted]

In his speech, Liu Zhengwei addressed four points on party building. First is to further consolidate leading bodies at all levels to organizationally afford a guarantee for maintaining sustained political stability and promoting a stable and coordinated economic development. [passage omitted] Second is to truly strengthen the building of primary party organization and intensify education among party members; to improve the quality of party members, it is essential to make unremitting efforts to educate them with Marxist fundamental theory and the party's fundamental knowledge so as to lay stress on resolving the problem of orientation. [passage omitted] Third is to make unremitting efforts to improve the party's work style. [passage omitted] Fourth is to intensify theoretical study to raise the standards of leadership. In accordance with the requirements set by the party Central Committee, at the moment it is necessary first to earnestly study Marxist philosophy, with the focus on philosophical works of Comrade Mao Zedong and works of Deng Xiaoping and other revolutionaries of the older generation which are full of philosophic thinking. [passage omitted]

Sichuan Commends Outstanding Party Workers

HK2612024789 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Dec 89

[Excerpts] The first provincial rally to commend advanced grass-roots party organizations and outstanding party affairs workers was held in Chengdu yesterday. The common characteristics of the 86 representatives of advanced grass-roots party organizations and 330 outstanding party affairs workers are that they have persistently and unswervingly upheld the four cardinal principles and taken a clear-cut stand to oppose bourgeois liberalization; they made outstanding contributions to the struggle of stopping turmoil and quelling counterrevolutionary rebellion; and under the new situation of socialist modernization, they have persisted in grasping their work with two hands. [passage omitted]

Their advanced deeds have fully demonstrated the combat effectiveness of party organizations and the noble quality and revolutionary style of the advanced proletarian fighters. They also show that under the new situation of reform and opening up, our party's fine tradition has been inherited and carried forward.

The rally was presided over by Qin Yuqin, member of the provincial CPC standing committee and head of Organization Department under the provincial CPC committee. She delivered an opening speech at the rally, saying: The 5th Plenary Session of the 13th CPC Central Committee put forward the task of further carrying out economic improvement and rectification and deepening the reform. The key to success in fulfilling the task lies in strengthening party leadership. In particular, we must vigorously strengthen the building of grass-roots party organizations and give play to their role as the political core and fighting bastions. We must also ensure that all policy decisions of the central authorities are implemented in each and every grass-roots unit.

Fifteen representatives of the advanced grass-roots party organizations and outstanding party affairs workers introduced and exchanged with each other their advanced experiences in strengthening grass-roots party building, carrying out activities for three generations of rural party members, giving play to the role of the party organizations in enterprises as the political core, and promoting a clean and honest administration.

North Region

Wang Qun Addresses Inner Mongolia Party Meeting

SK2512094889 Hohhot NEIMENGGU RIBAO In Chinese 2 Dec 89 pp 1, 2

[Report of speech delivered by Wang Qun, secretary of the Inner Mongolia Autonomous Regional CPC Committee, at the enlarged Standing Committee meeting of the regional party committee: "The Important Issue Lies in Unifying Understanding"—date not given]

[Text] The 5th Plenary Session of the 13th CPC Central Committee correctly and scientifically analyzed the current economic situation in our country and presented the guiding principles, major tasks and basic measures for further improving the economic environment, rectifying the economic order and deepening reform. This has very great significance in guiding us to overcome the current temporary economic difficulties and achieve a long-term sustained, stable, and coordinated development of the national economy. To successfully implement the guidelines of the fifth plenary session of the party Central Committee, a very important issue is to unify the thinking and understanding of the party organizations at various levels, party members, cadres, and people of various nationalities throughout the region.

1. We should correctly understand the current economic situation and enhance confidence in the effort for improvement, rectification, and deepening of reform.

The party Central Committee called on us to analyze the situation with a realistic and scientific attitude and method, pointing out that we should neither be unrealistically optimistic about the economic situation nor overestimate and be afraid of difficulties and be pessimistic. It particularly emphasized that leading cadres especially should not underestimate difficulties and engage in unrealistic optimism.

In the past 10 years since reform started, our country did make such achievements in economic construction that it attracted worldwide attention. As was the case elsewhere in the country, all the fronts in Inner Mongolia experienced very profound changes. Over the past year since the 3d Plenary Session of the 13th CPC Central Committee was held, we have conscientiously implemented the principle of improvement, rectification, and deepening of reform, and we have achieved positive results. As has been proven in practice, the line, principles, and policies laid down since 3d plenary session of the 11th CPC Central Committee are totally correct, and so is the principle of improvement, rectification, and deepening reform put forward at the 3d plenary session of the 13th CPC Central Committee. However, while fully affirming achievements, essential aspects, and the main stream, we should see that the economic situation we face is still very rigorous because of the following difficulties that have accumulated in the past years: the influence of the turmoil, the counterrevolutionary rebellion that occurred at the turn of spring and summer this year, and the economic sanctions imposed by some Western countries. Therefore, we must have a clear understanding of the necessity and arduousness of the present effort for improvement and rectification.

When saying that difficulties are serious, we refer to the extent of the difficulties. In terms of their nature, they are the difficulties that arose during the process when tremendous achievements were continuously made during the 10-year reform. In addition to the achievements, development was continuously made in various undertakings, and difficulties that did occur in the work

were handled under a correct line. Therefore, they are difficulties within the process of progress and are temporary ones; they can be totally overcome. For this reason, all views characterized by pessimism, disappointment, and inertia are wrong. We should see the many favorable conditions we have for overcoming difficulties. As far as our Inner Mongolia Autonomous Region is concerned, our economic strength has been greatly enhanced following the 10-year reform; our GNP, national income, and revenue have been doubled; and the masses have greatly increased their ability to make material purchases. In particular, while carrying out the endeavor for improvement and rectification, the central authorities have implemented a policy that guarantees, promotes, develops, and strengthens some projects while reducing and eliminating others, thus providing an extremely good opportunity for us to develop our region's economic construction. At present, when the country is implementing the "double retrenchment" policy, the central authorities, based on the policy of industrial priorities, have decided to develop a number of coal, electricity, petroleum, petrochemical, communications, and other important basic industrial projects in our region. This will have a tremendous strategic significance in increasing the potential for our region's economic development, attaining our region's three short-range fighting goals at an earlier date, successfully making the second step, and reaching a comparatively prosperous level by the end of this century. We may say that the next few years will become another golden period for the economic and social development of Inner Mongolia. In addition, the ever expanding international exchanges of China with the Soviet Union, Mongolia, and East Europe have opened up broad vistas for our region to develop foreign trade and economic and technological cooperation. Industrial enterprises owned by the whole people are the pillar and backbone force of our region's industrial economy. With such advantages as being regular and stable, and having fewer sharp rises and falls, they will have a significant and positive influence on our region's efforts to maintain a sustained, stable, and coordinated development in the process of improvement and rectification.

In short, we should scientifically and correctly analyze the current situation. In addition to accurately acknowledging the difficulties, we should also notice the favorable conditions for overcoming them. We should also firmly believe that the party and government have the decisionmaking ability and methods for leading the people of various nationalities throughout the region to overcome difficulties and to win victories. The broad masses of people are those who receive benefits from reform and those who practice reform. As long as we tell the broad masses of people of various nationalities more about our achievements and explain the problems thoroughly to them and tell them clearly about the methods and prospects, and as long as we unwaveringly manage things in line with the guidelines of the fifth plenary session, we will be able to enhance the spirit of the people from the higher to the lower levels and urge them to

foster confidence, and to work with one heart and one mind so as to bridge over difficulties.

2. We should firmly bear the whole situation in mind and successfully carry out the campaign of improvement, rectification, and deepening reform.

In the course of improvement and rectification, we will surely have both progress and retrogression. In a certain sense, this kind of retrogression will doubtlessly make some sectors pay a price, endure hardships, or even make some sacrifices within a short period of time. However, we must clearly understand that these are the consequences resulting from our practices of being overly anxious for quick achievements and departing from reality and making all-out efforts in a subjective way. At present, if we fail to retreat from the overextended sectors and cut back the excessive overall social demands, it is impossible for us to readjust the production set-up, to end the seriously confused phenomenon in the economy, and to control inflation and price hikes which worry the people. As a result, our economy will fall into a vicious cycle. In this way, we will be unable to carry out the second step of the strategic objective and we will not consolidate our achievements in construction and reform. This will not only harm the immediate interests of the masses but, more seriously, will also fundamentally harm the long-term interests of the broad masses of people of various nationalities. Therefore, it is essential and positive to make progress in some sectors while retreating from other sectors. We must make progress more steadily and successfully in order to improve the relations between various economic sectors. This requires our efforts to give consideration to the overall situation; proceed from the fundamental interests of the state and the whole nation; and stress the necessity of subordinating the interests of the part to the interests of the whole, immediate interests to long-term interests, and personal and local interests to the interests of the state. If we fail to solve this problem, improvement and rectification will be empty talk.

Over the past few years, in the relations among various sectors in terms of interests, we have paid more attention to the interests of the part and less attention to those of the whole, more attention to immediate interests and less to long-term interests, and more attention to personal interests and less to collective interests. This phenomenon must be straightened out in the course of improvement and rectification. Generally speaking, the state and local interests are identical. The interests of the state are the common, fundamental, and highest interests of all localities. If the overall situation cannot be stabilized, the prosperity of the part will not last long. Likewise, if we harm the long-term interests and the collective interests, we will also lose our immediate interests and personal interests in the end. As far as the localities and departments are concerned, they must foster the concept of taking the whole country into account and persist in subordinating minor principles to major ones. As far as the whole country is concerned, the

autonomous region is just a small part. We must unconditionally subordinate ourselves to the overall situation of the state. As far as the whole region is concerned, all leagues, cities, banners, and counties are only the part. Likewise, the lower levels should obey the higher level, the part should subordinate itself to the whole and should consciously support and coordinate with the regional party committee and government to make overall arrangements, to lay stress on a proper degree of centralization, to guarantee the key projects, and to successfully carry out our region's improvement and rectification work.

3. We should actively promote arduous struggle and leading an austere life for several years.

Arduous struggle is our party's fine tradition and the distinctive character of politics. We should not discard it at any time. We should not forget that although we have remarkably strengthened our national strength during the 10 years of reform and noticeably improved the people's livelihood, we still cannot change the national conditions that our country has a large population and a weak foundation. As far as our region is concerned, it is located in a remote district where development is late and the economic foundation is weak. These basic regional conditions have remained unchanged. Some areas in our region in particular have remained poor, and the problem of clothing and feeding the people in some areas has remained unresolved. We must realistically tell our cadres and the masses about these basic conditions and the current temporary difficulties in order to arouse their pioneering spirit and turn the practices of arduous struggle, plain living, managing a household industriously, making careful calculations, and leading an austere life for several years into the conscious actions of all party members, cadres, and the masses of people.

Our advocacy of struggling arduously and leading an austere life for several years does not mean that we intend to make the people lead a poor life as they did during the 1960s. What we mean is to stop building large-scale office buildings, auditoriums, and hotels, to stop importing small vehicles, to stop engaging in lavish wining and dining, and to stop wasting state funds. We must curtail administrative expenditures, dissolve unnecessary associations, societies, and centers, and reduce the number of surplus office staff. We should and are absolutely able to do all of these. We should understand that we are not rich at present and that we must not spend money as if we were already rich.

Even if we might become rich in the future, we should be prepared for danger in times of peace and should spend our lives as if we were poor. For a time, we forgot these important principles, unrealistically expanded the excessively high consumption demands, and put tremendous pressure on the country's economic construction. One of the most important reasons for stressing arduous struggle again at present is to keep the people from spending excessively, make them conscientiously reflect on their

past, and enable them to see whether their high consumption practices of the past few years have far exceeded the rate of economic development of the country and the state. We also must make them consider if their consumption has surpassed the capacity of the country and state to withstand the strains and to see whether they have departed far beyond China's reality. Through conducting education on arduous struggle, we should change people's excessively high consumption zeal into a realistic and enthusiastic zeal of building an enterprise through arduous efforts. We should not consider the advocacy of arduous struggle as an expedient measure and should not think of forsaking this tradition when the economic situation slightly improves. We should not consider leading an austere life as a practice just for those who are poor and not for those who are rich. Still less should we say one thing but act differently or show no devotion to the party and the people.

Leaders at all levels should take the lead in promoting arduous struggle and leading an austere life because this is the key to success. Party committees at all levels should consider leading cadres in arduous struggle and in living an austere life as one of the important tasks of strengthening party building and administrative honesty, unceasingly straightening out party style and social habits, and striving to overcome corrupt phenomenon inside the party.

4. We should unite as one, stabilize the overall situation, and bridge difficulties with joint efforts.

Comrade Deng Xiaoping stressed on several occasions that stability is an overriding task. Without a stable and united situation, nothing can be accomplished. Particularly during the juncture when difficulties are lying ahead of us and when the tasks are complicated and burdensome, it is all the more necessary for comrades inside the party to understand, trust, and support one another. We need all the more greater unity and solidarity inside the party and a true and sincere cooperation inside and outside the party.

To strengthen unity, the key is to strengthen unity within the party, especially the unity of leading bodies at various levels. Leading cadres at various levels should take the overall situation into account, stress unity, party style, principles and discipline, and make sure that all their words and deeds are conducive to party unity. Comrades should be tolerant of, be modest toward, help and supplement each other to make leading bodies very good, stable, and united leading collectives, and good examples in maintaining stability and unity.

In stabilizing the political situation, the key lies in stabilizing the people's feelings. To stabilize the people's feelings, the key lies in stabilizing policies. We should make it clear to the masses that the party's basic line consisting of "one central task and two basic points" will not change and that all the reform measures promulgated before the 4th Plenary Session of the 13th CPC Central Committee, and which were approved by the party

Central Committee, the State Council, the National People's Congress or its Standing Committee, should be carried out resolutely, and should be adjusted, supplemented, and improved in the process of execution in line with the principle of developing the advantages and eliminating the disadvantages. We should also make it clear to the masses that the orientation of improvement and rectification and that of reform and opening up are consistent, that the basic purpose of the current practice to maintain overall stability of policies, while making minor adjustments is to better conduct reform and opening up, and that because of improvement and rectification, China will never go back to the old closed-door road. In the process of implementing policies, we should fully support the comrades who conduct pioneering work and explorations bravely in reform and opening up; we should judge the comrades who cause this or that kind of problem in the process of exploration from an historical viewpoint, understand, and make allowance for them; and we should pay attention to protecting their legal rights and interests. Of course, we should sternly punish the people who take advantage of the loopholes of reform to commit corruption, take bribes, and line their own pockets with public funds. In short, we should adopt all possible means to eliminate the people's misgivings and set their minds at ease. Only in this way can we provide a stable and united political, ideological, and social environment for our region to overcome the difficulties in the endeavor of improvement, rectification, and deepening of reform.

5. We should maintain a long-term, sustained, stable, and coordinated development in the national economy in the process of improvement and rectification.

The party Central Committee stressed that the principle of a long-term, sustained, stable, and coordinated development should always be adhered to either in the period for the endeavor of improvement and rectification or after the tasks for this endeavor are completed. That is to say that carrying out the endeavor of improvement and rectification does not mean that the lower the growth rate of economic development is, the better it is; still less does it mean that we do not want development at all. Instead, it means that we should maintain an effective and necessary growth rate. Through improvement and rectification, we should improve economic results, increase the potential for economic development, increase the supply of essential goods, rationally adjust the structure on the premise that total demand and supply are brought under control, achieve a balance between demand and supply based on the adjusted structure, and attain the target of a sustained, stable, and coordinated economic development.

A sustained, stable, and coordinated economic development is an objective demand not only in economic development but also in political stability. Economic development requires political stability, which in turn relies on economic development. It will be very difficult to maintain political stability if problems such as serious inflation and price rises that make the economy instable

are not solved for a long period of time. Therefore, it is very important to maintain a sustained, stable, and coordinated development in the national economy in the process of improvement, rectification, and deepening reform.

To unswervingly implement the principle of long-term sustained, stable, and coordinated development of the economy, we should overcome the two erroneous tendencies of overeagerness for quick results and inertia. Overeagerness for quick results is a "common disease" and a "frequently occurring disease" in our economic work, and we have suffered a lot from it. The current temporary economic difficulties, to a great extent, are due to our over eagerness for quick results. We must conscientiously summarize this lesson. In conducting reform and opening up, everyone hopes to achieve quicker development. Such a desire is understandable. However, we are bound to suffer the punishment by the objective law if, in carrying out economic work, we act according to subjective desires alone and do not fully respect the objective economic law. Inordinately quick development often leads to sharp rise and fall. Therefore, we must overcome "overeagerness" when working out guiding thoughts. We should avoid overeagerness for quick results either in construction and reform, or in the effort for improvement and rectification. Overeagerness for quick results will not work, but inertness is also very harmful. Confronted with difficulties at present, if we feel helpless and hesitate to press forward, we will be intimidated by the difficulties and will miss opportunities. In addition, the endeavor for improvement and rectification will become more difficult, and the principle of sustained, stable, and coordinated economic development will possibly fail. For this reason, we should unite as one, give full play to the wisdom and strength of the people of various nationalities throughout the region, muster our courage to overcome any difficulty, achieve progress despite the difficulty, share burdens with the party and the state, strive to turn the difficulty into a favorable opportunity, and enable our region to maintain a necessary development rate on the premise that economic results are improved, and to lay a solid foundation for taking the second step successfully.

6. We should conscientiously strengthen party leadership, and ensure the smooth progress of the endeavor for improvement, rectification, and the deepening of reform.

Conscientiously implementing the guidelines of the fifth plenary session of the party Central Committee and more successfully carrying out the endeavor for improvement, rectification, and deepening of reform are very pressing and are also arduous tasks for the entire party. We should conscientiously strengthen party leadership over these tasks, persistently carry out fruitful ideological and political work, and give full play to the role of party organizations at various levels. We should treat party organizations as fighting bastions, and the role of party members as vanguards and models in order to ensure the smooth progress of this endeavor.

To strengthen leadership, we should organize well the study of the guidelines of the fifth plenary session of the party Central Committee. We should study both central documents and Comrade Jiang Zemin's National Day speech so as to comprehensively understand the spirit and essence of the fifth plenary session of the party Central Committee. We should also keep firmly in mind the thinking of the cadres and the masses throughout the region and solve their ideological problems accordingly. We should enable the people to correctly understand the current situation, especially to understand the current difficulties and problems from dialectical viewpoints; correctly understand the necessity and urgency of the endeavor for improvement and rectification, and the important significance of the fifth plenary session of the party Central Committee; correctly understand the relationship between the effort for improvement and rectification and deepening of reform, and between this endeavor and economic development; and correctly understand the relationship between centralization and decentralization, between the whole and the part, and between long-term interests and immediate interests so as to truly unify the thinking of the entire party in line with the guidelines of the party Central Committee. Through the study, we should attain the goal of enhancing our understanding, unifying our thinking, steeling our confidence, arousing our spirit, and working with concerted efforts to overcome difficulties.

We should realistically strengthen organizational leadership over the work of improving the economic environment, rectifying economic order, and deepening reform. Party organizations at all levels should consider implementing the guidelines of central decisions and successfully carrying out improvement, rectification, and deepened reform as their central tasks, include them on their agenda, and concentrate efforts on grasping them firmly. All localities should formulate specific plans for implementing these tasks in accordance with the major central policies and with the opinions offered by the regional party committee, and in line with the reality of their own localities, departments, and units. We should break down the improvement and rectification targets and tasks, establish a strict responsibility system, consider this work as an important task of checking the actual work achievements of party and government leaders, and realistically carry out all tasks concerning improvement and rectification in places where needed. We should strengthen guidance, supervision, and inspection over the improvement and rectification work, improve the relations of various sectors, and promptly discover and solve problems.

Efforts should be made to realistically strengthen ideological and political work. At present, the economic situation is severe. The ideology of some cadres and the masses is fairly confused, and social problems are quite numerous. These particularly require our efforts to strengthen ideological and political work, clarify people's thinking, and reassure the cadres and the masses. Party organizations at all levels should take actions and form a

strong atmosphere under which the whole party participates in ideological and political work. With regard to some problems of a common nature, we should make full use of the press, radio and television broadcasts, and other mass media and forms to widely conduct propaganda and education and to form a strong media bastion. It is necessary to accurately tell the masses about the current situation, the methods for overcoming difficulties, and the future prospects for development in an effort to strengthen their confidence and boost their working enthusiasm. In addition, leading cadres at all levels should go deep into the grass roots to keep abreast of the ideological trend of the masses at all times and should purposefully carry out patient and meticulous ideological education. Furthermore, we should pay great attention to the hardships of the masses, help them solve some practical difficulties, and actively advocate the practice of doing substantial and good things for the people. We should pay close attention to the masses in the disaster areas, workers of enterprises operating under capacity, workers who have the danger of losing their jobs, and jobless people. We should adopt resolute measures and strive to properly solve problems that can be solved. If some problems cannot be solved for the time being, we should clearly explain the reasons to the masses.

The examples of leading cadres constitute a silent command. With difficulties lying ahead, the exemplary role of leading cadres has appeared more important. Leading cadres at all levels should give consideration to the interests of the party and the people, and take the lead in setting examples. The higher authorities should first do what they want the lower levels to do and the leading cadres should first do what they want the masses to do. We should correctly use the powers which the people have entrusted to us, strictly observe law and discipline, never take bribes and bend the law, perform our responsibility impartially, and never abuse our power and positions to seek personal gain. We should engage in arduous struggle, never engage in extravagance and waste, and raise the party's prestige among the masses with our actual deeds. Leading organs at all levels should realistically improve their work style and raise their work efficiency. It is necessary to resolutely oppose and overcome the erroneous acts of standing high above the masses, deviating from them, showing no concern for their hardships, scrambling for profits with them, or riding roughshod over them.

The 5th Plenary Session of the 13th CPC Central Committee clearly pointed out an orientation for us to successfully carry out the campaign of improvement, rectification, and deepened reform. We are deeply convinced that as long as the 800,000 Communist Party members and the 20 million people of various nationalities throughout the region realistically unite their thinking with the guidelines of the fifth plenary session, and as long as the party organizations at all levels of the whole region lead the broad masses of people to work in unison, help one another, perform their own duties well,

and work diligently, we will be able to overcome the current difficulties and march towards new victories.

Northeast Region

Inspection Group Reports Jilin Progress

SK2412081989 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 22 Dec 89

[Text] The Jilin provincial party committee and the provincial people's government have better dealt with some practical problems and scored certain achievements in the work of checking or consolidating companies and corporations thanks to grasping the work in a down-to-earth manner. This is the appraisal made by the state inspection group for the province's work done in this regard during the exchange of opinions forum sponsored by the group with the provincial leading personnel, including Governor Wang Zhongyu, Vice Governor Gao Wen, and (Li Xiancai), deputy secretary of the provincial discipline inspection commission.

During its inspection tours in the province, the state inspection group was relatively satisfied with the work done by the province in checking or consolidating companies and corporations after having heard briefings, held forums, and carried out practical investigations. All members of the state inspection group have unanimously agreed that the Jilin provincial party committee and the provincial people's government have attached great importance to the work by putting the work on their daily schedule, setting up special units, assigning many full-time personnel, and formulating specific measures. They have better dealt with some practical problems and exposed some appalling and serious cases. What should be stressed is that the provincial leading group in charge of checking or consolidating companies and corporations has reported on many occasions their work results to the provincial people's congress, the provincial Chinese People's Political Consultative Conference Committee, and the provincial democratic parties. It has also solicited their opinions and sought their support. The state inspection group also put forward its suggestions and expectations for the province's work in this regard. It urged that the province, in checking and consolidating companies and corporations, to continuously do a good job in unifying thinking and understanding and report at all times its progress and problems encountered in the work to various social circles so as to win over their understanding and support. It also urged the province to further enhance the audit work, to vigorously formulate regulations and systems concerned, and to summarize the experience and lessons so as to upgrade the standard of company management. Efforts should be made to enable the companies and corporations which have survived under the inspection activities to embark on a wealthy and developing road. As for the work in next period, the state inspection group advocated that all-out efforts should be made to firmly and successfully grasp the work.

After hearing its opinions during the forum, Governor Wang Zhongyu and Vice Governor Gao Wen said that it is imperative to further do a good job in checking and consolidating companies and corporations throughout the province in line with the spirit of the central authorities.

In concluding its inspection tasks in the province, the state inspection group with Yang Sheng as its head and An Chengxin as its deputy head left the city of Changchun for Beijing Municipality on the evening of 22 December.

Heilongjiang County Arrests Armed Criminals

SK3012084389 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 28 Dec 89

[Text] In launching the campaign of improving social order, the Keshan County public security bureau has focused on criminal offenders with guns. In the mass campaign launched on the night of 27 December, the bureau recovered 9 submachine guns, some rifles, 54 pistols, more than 250 bullets, and more than 100 firearms fittings. Simultaneously, 25 criminals who illegally concealed or manufactured guns, were arrested, and 3 of them were taken into custody.

Shenyang PLA Units Uphold Lei Feng Learning

SK2512001089 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 22 Dec 89

[Text] Thanks to unremitting implementation of the activities of learning from Lei Feng, the Shenyang Military Region has brought about a situation of stable development in building up PLA units at the grass-roots level. A large number of new successors who meet the four requirements of cadres are reaching maturity.

At the grass-roots work conference sponsored by the Shenyang Military Region, which concluded on the morning of 22 December, Liu Jingsong, commander of the military region; and Song Keda, political commissar of the military region, presented honorary banners and medals to the advanced units and individuals who had been commended at the conference for their contributions to the grass-roots work of building the armed forces.

Over the past few years, the Shenyang Military Region has achieved stable development in building up grass-roots level units. In 1988 alone, more than 400 companies and platoons were appraised as advanced in military training.

Being commended at the grass-roots work conference were 25 advanced units and 22 individuals who had made marked contributions to the work.

The grass-roots units at all levels across the military region have unremittingly carried out the activities of learning from Lei Feng. Over the past 26 years, they have never been shaken in their conviction in learning from

Lei Feng, though they have braved much wind and rain, and they have achieved steady and sound development in such learning activities. Their method of regarding as a cherished tradition the activities of learning from Lei Feng has been praised by Yang Baibing, secretary general of the Central Military Commission and director of the PLA General Political Department.

Northwest Region

Gansu Promotes Learning From Lei Feng

HK2612050589 Lanzhou Gansu Provincial Service in Mandarin 1030 GMT 22 Dec 89

[Excerpts] An on-the-spot meeting to promote the activities of learning from Lei Feng throughout the province was held in Dingxi this morning.

The meeting was presided over by Yao Wenchang, propaganda department chief of the provincial party committee. [passage omitted]

Provincial party committee Secretary Li Ziqi delivered an important speech at the meeting. In his speech, Comrade Li Ziqi addressed four points: 1) It is necessary to learn and spread experience of Dingxi Prefecture in promoting the activities of learning from Lei Feng. 2) The new situation and tasks require that we carry forward the Lei Feng spirit. 3) It is essential to develop the Lei Feng spirit to cultivate a new generation of people with lofty ideals, moral integrity, education, and a sense of discipline. 4) It is necessary to strengthen leadership in promoting the activities of learning from Lei Feng in a deep-going and sustained manner.

Li Ziqi said: We often talk about the endeavor to give full play to our political advantages. Socialist spiritual civilization and our ideological and political work are our real advantages. Launching again the activities of learning from Lei Feng and encouraging the Lei Feng spirit is the best way to start bringing our political advantages into full play and is also a method that is acceptable to the youth and the broad masses of the people. [passage omitted]

Li Ziqi continued: All localities, departments, and units should promote the activities of learning from Lei Feng in a guided and planned way and avoid the tendency to rush headlong into mass action and fall into generalities. Party and government offices and leading cadres must take the lead and set an example in promoting the activities of learning from Lei Feng so as to serve the whole society with their exemplary deeds.

Zhou Yuechi, a member of the provincial party committee standing committee and commander of the Gansu Provincial Military District also attended the meeting. [passage omitted]

Shaanxi Reiterates Policy on Lateral Association

HK2612140189 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 24 Dec 89

[Text] A provincial conference on lateral economic association, which closed yesterday, firmly reiterated that whatever policies favorable to lateral economic association, whether formulated by the state or provincial authorities, should be upheld and there should be no wavering in this regard.

Attending unofficial discussion meetings with responsible people from the committees or offices for external cooperation and with leading people from the departments and bureaus concerned, responsible persons of the provincial government reiterated the following: that the principles and policies currently practised by prefectural and city authorities for promoting lateral economic association, and the policy encouraging mutually beneficial cooperation between enterprises, must not be changed; the preferential policy encouraging an influx of funds from elsewhere and the preferential policy welcoming visiting scientific and technical personnel and encouraging scientific and technical personnel in urban areas to move to and work in rural areas, must not be changed; the necessary social intercourse which facilitates normal economic transactions between enterprises and reasonable allowances paid to enterprise staff should be allowed; all past economic activities should not be regarded as offences so long as they did not involve

malpractices of seeking personal interests through official power; and that compensatory service contracts will continue to be valid.

The conference highly appreciated the province's achievements over the past year in promoting lateral economic association. In accordance with the general principle on improving the economic environment, rectifying economic order, and deepening the reform, the conference suggested the following key tasks for next year: 1) Speed up the development of basic industries and everyday consumer goods manufacturing industries; 2) Serve the 49 major taxpayers, 67 major foreign exchange earning exporters, and the production of 48 key products, all selected by the provincial government; and 3) give support to the development of agriculture.

To cope with overstocking and shortages of goods the conference emphasized that the province should shift its focus to promoting cooperation with and within the material supply sector. It is necessary to make use of all fields and channels of cooperation to market overstocked goods and, at the same time, to make every effort to ensure supply of all kinds of wanted raw and processed materials. In cases of common shortage of funds, bilateral and multilateral barter trade can also be considered, with a view to ensuring supply of materials to maintain the operation of key enterprises and the production of key products in the province.

Professor Comments on 'Taiwan Independence'

HK2912030789 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 20 Dec 89 p 5

[Speech delivered at forum on Taiwan by Yan Zhimin (7051 1807 3046), deputy director and associate professor of the Marxism-Leninism Research Institute of Beijing University: "New Trends of 'Taiwan Independence' Activities"]

[Text] During the recent election campaign in Taiwan, "Taiwan independence" forces were running rampant. There were some new trends in their activities.

First, the center of their activities has been shifted from abroad to Taiwan. The activities of "Taiwan independence" are illegal in Taiwan. The "Constitution" of Taiwan prohibits all words and deeds separating the country. Many "Taiwan independence" advocates have thus been arrested and suppressed. For this reason, they must use Japan, the United States, and other countries as their bases. But in the past year or so, the Taiwan authorities have been adopting an appeasement attitude toward "Taiwan independence." Particularly during the recent election period, they never "enforced the law upon" the rampant activities of the "Taiwan independence" advocates. Under such a situation, the "Taiwan independence" advocates sneaked into Taiwan one after another and wantonly carried out their activities during the three public elections.

Second, they openly distributed the so-called "Draft Basic Law of 'the Republic of Taiwan'" and the "Draft Constitution of 'the Republic of Taiwan.'" Originally, "Taiwan independence" was only a principled political proposition and slogan. But in recent years, its advocates have turned this political proposition into concrete practice. They have presented altogether four "draft constitutions."

These "draft constitutions" have made the proposition of "Taiwan independence" more concrete. They are actually the objectives of their struggle and the program of their action. After those "draft constitutions" were published, they produced wide repercussions in Taiwan. The purpose of the "Taiwan independence" advocates in publishing the "draft constitutions" was to seize the opportunity of the general election to legalize the "new state," "new parliament," and "new constitution" in theory, and to use this as their banner to compete with the Kuomintang [KMT] and win over the masses.

Third, within the Democratic Progressive Party, there are a number of people inclining to or advocating "Taiwan independence." Originally, there were different opinions within the Democratic Progressive Party on the question of "Taiwan independence." But in the past year or so, especially during the recent general election, the "Taiwan independence" forces developed further. On 6 November, some people of the "new trend faction," who were openly supporting "Taiwan independence," established in Taipei a work committee for the "new state"

campaign. They emphasized turning Taiwan into a "new state" and worked out a "new constitution." In its pre-election declaration, the "New State Alliance" brazenly advocated independence of Taiwan's sovereignty and proposed to "establish a Switzerland in the East—the Taiwan state." The "Mei-li-tau [beautiful island] faction" is the main faction in the Democratic Progressive Party. Its attitude has also been changed to a certain extent. Although we still cannot equate the Democratic Progressive Party with a party of "Taiwan independence," we cannot deny that there are quite a few members inclining to "Taiwan independence."

Fourth, they spared no effort to support the Democratic Progressive Party to compete with the KMT during the election. Although there were a total of 19 political parties and nonparty personages participating in the election, the main ones were the KMT and the Democratic Progressive Party. The main difference between the two parties is on the question of "Taiwan independence." Therefore, despite the differences within their own parties, all those who inclined to and supported "Taiwan independence" enthusiastically supported the Democratic Progressive Party to compete with the KMT, hoping that it would win the election. Of course, they also knew that the Democratic Progressive Party was unlikely to win this time, but they hoped that it would win a greater victory and lay a good foundation for its further advances.

To sum up, with the recent general election as a turning point, "Taiwan independence" activities have entered a new stage of real action. They plan to make use of next year's "presidential" election to carry out further activities, striving to realize their objective of "establishing a 'Republic of Taiwan' in 7 years. This is a serious challenge to the Taiwan KMT authorities and a great harm to the reunification cause of the motherland. If the Taiwan authorities value the interests of the state and the nation above everything else, they should give up as soon as possible their appeasement policy toward "Taiwan independence," ban all "Taiwan independence" organizations, and strike heavy blows at any activities of separating the motherland. Otherwise, it may all lead to a disastrous result.

KMT Revolutionary Body on Reunification Efforts

OW2412142189 Beijing XINHUA Domestic Service
in Chinese 1320 GMT 20 Dec 89

[By reporter Zhang Yanping (1728 0917 1627)]

[Text] Beijing, 20 Dec (XINHUA)—The Standing Committee of the Seventh Central Committee of the Kuomintang Revolutionary Committee concluded its fourth meeting today. It adopted a resolution, saying: The Kuomintang Revolutionary Committee will inherit and carry forward Dr Sun Yat-sen's spirit of patriotism, revolution, and ceaseless progress. It is firmly opposed to any words and deeds creating "two Chinas" or "one China, one Taiwan" or engineering "an independent

Taiwan." And it will, as always, make unremitting efforts to fulfill the great cause of reunifying the motherland by working hand in hand with patriots of all walks of life in Taiwan.

The resolution adopted at the meeting states: Increasing economic and cultural exchanges between the mainland and Taiwan and promoting the peaceful reunification of the motherland have become an irresistible trend of history and a reflection of the basic interests and common aspiration of the people on both sides of the strait. Recently, however, the Taiwan authorities have carried out so-called "elastic diplomacy" in an attempt to create "two Chinas." At the same time, activities of the "Taiwan independence" forces have become increasingly rampant. They have openly advocated "an independent Taiwan" and conspired to split the motherland. This is absolutely intolerable to the Chinese people, including the people of Taiwan.

The resolution says that any attempt to split the motherland goes against the will of the people, and in no way can it succeed. It hopes that the Taiwan authorities will see the situation clearly; make a distinction between gains and losses; give up their policy of "opposing

communism and refusing reconciliation," and stop pursuing their "elastic diplomacy" as soon as possible; and fulfill their responsibility to maintain Taiwan's stability and to achieve the reunification of the motherland.

The resolution also calls on organizations at all levels of the Kuomintang Revolutionary Committee and all members of the committee to unify their understanding on the basis of the guidelines of the 5th Plenary Session of the 13th CPC Central Committee, carry forward the committee's glorious tradition of standing together with the CPC through thick and thin and sharing with it weal and woe, uphold the idea that stability is on top of everything, make preparations for living an austere life for a few years, pluck up, do more realistic things, and contribute their part to surmounting difficulties and promoting the sustained, stable, and coordinated development of the national economy.

Among those attending the meeting were Zheng Dongguo, Jia Yibin, Peng Qingyuan, Li Ganliu, He Luli, and Li Peiyao, vice chairmen of the Central Committee of the Kuomintang Revolutionary Committee; as well as Sun Yueqi, chairman, and Tan Tiwu and Liao Yunzhou, vice chairmen, of the Central Inspection Committee of the Kuomintang Revolutionary Committee.

Further on Reported French Warship Agreement

Mainland Warns France

OW3112091789 Taipei Domestic Service in Mandarin
2300 GMT 29 Dec 89

[From the "National Hookup" program]

[Text] The news report on France's plan to sell 16 warships to the Republic of China has thrown a new shadow over the relations between Paris and Peking. Peking has warned that this arms sale will constitute a direct interference in China's internal affairs.

France Refuses Comment

OW0101123990 Taipei International Service in English
0200 GMT 31 Dec 89

[Text] The French Government was keeping tight lip on Saturday Taipei time [30 December] on reports from Peking and Taipei that the ROC on Taiwan was negotiating to buy 16 warships from France for \$4.7 billion. The French Foreign Ministry said that it would not comment for the time being on the matter.

According to informed sources in Taipei, the ROC wants to buy 16 FL3000 class frigates, costing about \$300 million each. The report brought criticism from Peking, where a spokesman says such a sale of arms to Taiwan would be an interference in China's internal matter.

The reported military deal will be the biggest ever between the ROC and France and will include sophisticated electronic equipment, such as sonar and radar. If the arms sale is approved, it would provoke a further deterioration in Paris-Peking relations, which have already been eroded this year by France's support for Mainland Chinese prodemocracy activists and also by a visit to France by the Tibetan leader, the Dalai Lama.

Mainland Dissident Vows To Fight Communism

OW3012035489 Taipei CNA in English 0252 GMT
30 Dec 89

[Text] Taipei, Dec. 30 (CNA)—A mainland Chinese dissident, in his first public appearance since he was smuggled into the Republic of China [ROC] in late October, vowed here Friday to fight against communism until the Chinese Communist regime collapses.

Chang Kang (Zhang Gang), 39, was the former deputy director of the Liaison Office of the Peking-based Institute of Restructuring Economy, which was closely linked with the Chinese Communist Party's ousted Secretary General Chao Tzu-yang (Zhao Zhiyang).

Speaking in a seminar on mainland China's democracy movement and China's future, Chang said that judging from the enormous changes in Eastern Europe, communism on the China mainland is doomed to perish in the not too distant future.

He declined to disclose details about how he had fled from the mainland to Taiwan. But according to Chen Bai-chung, manager of the local Tone Sound Musical Co. who arranged for Chang's escape, Chang and two other dissidents had been smuggled into Taiwan in a fishing boat.

Chang and his two companions, who arrived in Taiwan on Dec. 28, [date as received] have been granted political asylum by the ROC Government after prosecutors dropped charges against them. They had been detained for a period of time for illegal entry.

Chang told reporters he had visited various parts of the Taiwan area during the past month and was impressed by the ROC's economic achievements and political progress.

Ministry Considers East Europe Trade Offices

OW2912233289 Taipei CNA in English 1614 GMT
29 Dec 89

[Text] Taipei, Dec. 29 (CNA)—With the great changes in Eastern Europe, the Republic of China [ROC] is studying the feasibility of establishing trade offices there.

The Ministry of Economic Affairs, hoping that the nation can take advantage of the recent East European democracy movements, met Friday to formulate appropriate measures.

If Eastern European countries are friendly toward the Republic of China, the ROC Government should even consider using its international economic cooperation development funds to aid them, a ministry official recommended.

Diplomat Expects 'Good News' on African Relations

OW3012050889 Taipei International Service
in English 0200 GMT 24 Dec 89

[Text] The Republic of China's [ROC] Ambassador to Liberia (K. C. Dunn) stated on Saturday [23 December] that the model under which the ROC and Liberia resumed formal diplomatic relations and the economic aid which the ROC has furnished Liberia has come to the attention of other African nations. Dunn said that in the future there will be more good news for the ROC on the diplomatic front from Africa.

(Dunn) was assigned as the ROC representative to Liberia in 1988 and, in part due to his efforts, the two nations restored formal ties several months back.

(Dunn) detailed the ROC aid to Liberia, saying that the ROC is working to improve the quality of Liberia's highways and is working on constructing new buildings, including four [word indistinct] areas. The Liberian foreign minister planned on arriving in Taipei on Sunday [24 December] and [words indistinct] agricultural cooperation pact will likely be signed as well.

Premier Li Optimistic About Future of Democracy*OW3012042489 Taipei CNA in English 0248 GMT
30 Dec 89*

[Text] Taipei, Dec. 30 (CNA)—Premier Li Huan said Friday night the Republic of China was optimistic about its future prospects as a democracy.

Speaking at a dinner entertaining some 30 Republic of China and overseas participants in a seminar on the mainland democracy movement and China's future, Premier Li pointed out that in the democratization process certain prices would have to be paid. "Democracy is not a slogan; it must be realized step by step," he said.

Unpleasant phenomena, such as the fraces and fighting between two opposition legislators at a Legislative Yuan meeting Thursday televised nationwide, would not affect the Government's determination to push democratic politics, he said.

The premier based his optimism about the nation's future on three facts: The heightened educational standards in Taiwan, the middle class as the main force in society, and the support for the democratic system, the rule of law, and ethics by the majority of the people.

Government To Tighten Driftnet Fishing Controls*OW3012042289 Taipei CNA in English 0235 GMT
30 Dec 89*

[Text] Taipei, Dec. 30 (CNA)—In a bid to ease international criticism, the Republic of China [ROC] Government announced Friday it would tighten controls on the nation's driftnet fishing boats, starting with those operating in the North Pacific.

The Council of Agriculture (COA) Friday issued a set of measures governing ROC driftnet fishing boat operations in the North Pacific.

The measures provide that the boats can only operate on those high sea areas specifically permitted by the Government and must apply for permission before leaving local ports. Regulation violators will be subject to penalties ranging from confiscation of illegal catches to revocation of boat or captain licenses.

According to the restrictions on operating areas, ROC driftnet fishing boats will be banned from entering the 200-mile economic zones of the United States, the Soviet Union, and Canada. They will also not be permitted to operate on waters east of 145 degrees West longitude.

The COA warned fishermen especially not to catch salmon, even accidentally, because the fish are the object of several fishery disputes with foreign countries, the U.S. in particular.

The measures also prohibit fishing boats from dumping old or damaged driftnets into the sea and demand detailed records of any net losses.

The COA noted that the measures have been formulated in line with the international situation and in accordance

with the agreement between the ROC and the U.S. on the operation of driftnet fishing boats in the North Pacific.

Foreign Ministry To Add Economic Department*OW2912093689 Taipei CNA in English 0244 GMT
29 Dec 89*

[Text] Taipei, Dec. 29 (CNA)—The Ministry of Foreign Affairs will add an "Economic and Trade Affairs Department" to its organization in keeping with the Republic of China's greater economic presence on the international stage.

"The organization expansion," a Foreign Ministry official said, "is necessary as economic and trade measures are playing a greater role in the nation's foreign policy."

The new department will be formally organized after the amendment to the Foreign Ministry Organization Law, approved Thursday during a cabinet meeting, clears the legislative floor at a later date.

Another amendment is to upgrade the ministry's Consular Affairs Department to the "bureau" level.

The current Consular Affairs Department, a department official explained, has cut 13.21 percent of its work force while increasing its work load 52 percent in recent years.

"Our department director has long been troubled by insufficient employers and our morale has been low," the official said.

He attributed the increased work to a growing number of applications by local tourists, businessmen, and students for advanced studies overseas.

Government To Help 'Battered' Textile Industry*OW2312043789 Taipei CNA in English 0324 GMT
23 Dec 89*

[Text] New York, Dec. 22 (CNA)—The battered textile industry in Taiwan is getting a substantial boost from the government in a bid to recover lost export ground, the JOURNAL OF COMMERCE reported Friday from Hong Kong.

Taiwan's textile products trade is suffering, along with other industries, from high wages and a strong currency, and these factors are making products less competitive on world markets, the JOURNAL pointed out.

The government's Industrial Development Bureau intends to allocate NT dlr 2.5 billion (US dlr 100 million) in a five-year project to upgrade design and production technology, it said.

Its hope is to boost exports to US dlr 20 billion a year by the turn of the century, roughly double the current level, it added.

The paper quoted officials in Taipei as saying that the money also will be used to improve the local investment climate and to help some 250 firms train about 1,000 employees in the use of new technology for the industry.

Hong Kong

Prodemocracy Protests Mark Beginning of New Year

3,000 Join Rally

HK0101013490 Hong Kong SOUTH CHINA
MORNING POST in English 1 Jan 90 pp 1, 4

[By Andy Ho]

[Excerpts] About 3,000 residents last night celebrated the dawn of the 1990s at a political rally at Chater Garden, demanding the ousting of the "Ceauescus in China".

In a defiant mood, the participants sang patriotic songs and chanted slogans in support of the pro-democracy movements both in China and Eastern Europe throughout the candlelight assembly.

The Hong Kong Alliance in Support of the Patriotic Democratic Movement in China which organised the event, said that despite repeated attacks by Beijing, it would continue to pursue its cause.

At midnight, Alliance chairman, Mr Szeto Wah, read out a three-point New Year declaration calling for the: Immediate repeal of the martial law; Release of the pro-democracy activists and the end of the policy of "white terror" on the mainland; End of the one-party dictatorship and the installation of democracy in China.

Mr Szeto said the successful Romanian uprising had instilled a ray of hope among not only the democracy fighters in China but their supporters in Hong Kong and the world over.

"At this difficult time, we urge all Chinese compatriots to carry the spirit of democratic reforms of 1989 into the 90s to actively support the patriotic movement and strive for a democratic China," he said.

Despite the drizzling rain crowds of revellers clutching umbrellas gathered at the Causeway Bay waterfront to celebrate the end of the decade and the beginning of the 90s.

Lady Ida Kan, wife of director of Hong Kong Land, Sir Yuet-keung Kan, ignited the traditional Midnight gun which signalled the beginning of the new year while a police band played Scottish reels.

Several thousand people attended a pop concert organised by TVB in Victoria Park while hundreds more went to another music festival in Kowloon Park and ATV held a celebrity concert at the New World Centre in Tsim Sha Tsui. [passage omitted]

Last night's three-hour gathering in Chater Garden for democracy was punctuated with slogans demanding the removal of the "Clique of the Deng-Li-Yang" and the "Ceauescus in China".

To the cheers of the crowd, vice-chairman of the Alliance Mr Martin Lee Chu-ming also addressed the gathering.

Mr Lee said: "Truth is in our hands. Justice is in our hands. Why should we be afraid of anybody. In the eyes of the Chinese leaders, I am a subversive and a counter-revolutionary."

"But my hearts tells me I have done nothing wrong. It is they (the Chinese leaders) whom have committed the crime against the people...As the Government of the People's Republic of China, they should pay due respect to the Chinese people."

As Mr Lee and Mr Szeto delivered their speeches, the crowd encouraged them not to bow to pressure from Beijing.

The two Hong Kong legislators have both been expelled from the Beijing-appointed Basic Law Drafting Committee because of their leading roles in the mass protests in support of the Chinese students in May and June.

Mr Au Kam-sang, who represents the Alliance's counterpart in Macao, also extended a message of solidarity to the Hong Kong activists.

He said Hong Kong's experience in the drafting of the post-1997 Basic Law had made his colleagues to realise that they should not have any false hopes in the future mini-constitution for Macao.

In a recorded message, fugitive dissident Mr Yan Jaiqi told the crowd: "Today, on behalf of the Chinese people, we warn Beijing and several officials of the New China News Agency in Hong Kong that they should refrain from attacking Hong Kong people's justified actions as subversive or sabotage Hong Kong's pro-democracy movement."

"Or else, your crimes committed against the people will be listed on the record of collaborators of the dictators. And there will be a day when you are put on trial by the people."

The Alliance will stage a New Year Day protest march today at 1.30 pm from Chater Garden in Central to the local headquarters of the New China News Agency.

Organisers said the crowd had raised more than \$100,000 for the people of Romania and were still counting donations raised through the sale of candles and calendars.

Thousands Gather at XINHUA

HK0201021990 Hong Kong SOUTH CHINA
MORNING POST in English 2 Jan 90 p 1

[By Chris Yeung]

[Text] More than 10,000 people vowed to continue the fight for democracy in China and demanded the downfall of "Deng-Li-Yang" [Deng Xiaoping, Li Peng, and Yang Shangkun] in a New Year's Day rally outside

Beijing's Consulate office yesterday, the largest pro-democracy protest since July.

Undeterred by criticism from China and stimulated by the collapse of the socialist bloc in Eastern Europe, the high-spirited protesters also pledged their backing for the cause of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China.

The organisers of the three-hour rally, the 210-group Alliance, has been accused by Beijing over the past few months of being subversive.

Speaking at the end of the rally outside the New China News Agency's (NCNA) local headquarters in Wan Chai, an Alliance leader, Mr Cheung Man-kwong, said: "We'll come back again and again until the 'Deng-Li-Yang' (leadership) steps down."

He said: "There will be the day when we will come back to Tiananmen Square. There will be the day when we will no longer hoist the black (national) flag but the red (national) flag."

"Somebody wants to deter and smear us. We won't be scared away," Mr Cheung said.

Yesterday's rally was the first time since July that local pro-democracy supporters have demonstrated outside China's representative office, despite repeated warnings by Beijing leaders against what they considered as local interference with domestic affairs on the mainland.

Led by Alliance leaders, the crowd roared "Down with the Ceausescu in China", "Down with Deng-Li-Yang", "Put an end to the one-party totalitarian rule" and "Release all pro-democracy activists".

Some protesters also vented their anger by shouting "Down with the Communist Party", while stopping short of naming the Zhongnanhai leaders.

The chairman of the Alliance, Mr Szeto Wah, said: "Whoever kills his people is the Ceausescu in China."

He said the turn-out was good and the emotion high.

"Given the immense pressure, the fearless demonstrators have shown their strong determination to fight for democracy in China has never changed," Mr Szeto said.

He acknowledged that the collapse of the Ceausescu dictatorship has rejuvenated the enthusiasm of local supporters in fighting for the democracy cause.

Asked if their renewed calls for the downfall of "Deng-Li-Yang" would irritate China, Mr Szeto said: "If it's a tiger, it will eat men regardless of whether you irritate it."

Another leader, Mr Yeung Sum, said the Alliance stood by its stance that those who ordered the slaughter of the civilians on June 4 have to step down.

The New Year's Day rally followed a candle-light vigil at Chater Garden attended by about 3,000 people to demonstrate their determination to continue their cause into the 1990s.

The Wan Chai District Commander, Chief Superintendent Michael Prew, estimated the crowd at between 8,000 and 10,000, adding that the police had prepared for a turn-out of between 5,000 and 20,000.

More than 500 officers had been mobilized to maintain order, he said.

Minor congestion occurred when traffic was temporarily halted to make way for the procession, he said.

The rally began around 1.30 pm with a brief rally at Chater Garden, which was turned into a mass of colourful home-made banners and placards carrying slogans such as "Today's Romania, tomorrow's China" and "We love China, not communism".

Mr Szeto said before the march: "The 1990s will be the era of the continuing growth of people power. It will be the era of the burial of all dictators."

The procession, which included leaders from pro-democracy groups in Macao, took about 90 minutes marching from Chater Garden, via Queen's Road and Hennessy Road before assembling outside the NCNA office.

They received applause and were joined by passers-by as they sang patriotic songs and chanted slogans throughout the march.

British Nationality Package Draws Reactions

Legislators View Package

HK2212021989 Hong Kong SOUTH CHINA
MORNING POST in English 22 Dec 89 p 6

[by Daphne Cheng]

[Text] Executive and Legislative Councillors yesterday said they could not reject the nationality package on behalf of Hong Kong people although it would not cover the entire population.

Senior Legislative Councillor, Mr Allen Lee Peng-fei, said any limited package would be deemed to be divisive, but the announcement on Wednesday could be seen as an achievement for Hong Kong people.

"Any number that falls short of all British subjects in Hong Kong will have some effect on that (dividing the community)."

He said that although the package was not totally satisfactory, the fight to restore the right of abode since 1981 after the change of the Nationality Act has to be carried out step by step.

"We have been on this issue since 1981. We're glad to see today that Britain acknowledges its responsibility. This is a major step already.

"What will happen in the year ahead, I don't know. But our efforts since 1981 have paid off to some extent, if not in total."

"It is not totally satisfactory, but some people will benefit from the scheme," he said.

Mr Lee added that the Omelco [Office of the Members of the Executive and Legislative Councils] special working group on nationality would meet government officials soon to clarify details of the package. They will discuss future strategies of how to continue to fight for the rest of the local people.

Asked whether the announcement would deal a blow to the confidence of those not covered this time, Mr Lee said he would like to see as many British passports issued for Hong Kong as possible.

"It's all up to Britain, but it (the present 50,000 households) is better than nothing. Whether the package will work, only time can tell," he said.

Executive Councillor, Mr John Swaine said: "The underlying basis of the package is that it is going to be selective and the basis of the selectivity is individual's contribution to Hong Kong.

"As a solution to the question of confidence, that approach is correct in principle, although there is a very great concern over the number," Mr Swaine said.

Mr Lee maintained that Britain had acknowledged its responsibility towards Hong Kong and recognised the need to restore local confidence.

Expressing worries that the opposition in Britain would vote against the package, Mr Lee said councillors would also urge parliament to pass the relevant legislation as soon as possible.

He hoped Britain's action would encourage its allies to provide similar assurances for Hong Kong.

Meanwhile, Senior Executive Councillor, Dame Lydia Dunn, said she believed the nationality package would help check the territory's brain drain and boost local confidence.

But she added there were still other ways to restore the confidence of Hong Kong people.

"There is a lot that China, Britain and Hong Kong can do together. Issuing passports is only one way.

"it can also be done through boosting the local economy, the process of democratisation and continuing to develop Hong Kong as an international city," she said.

Civil Servants Cite Morale

HK2212022389 Hong Kong SOUTH CHINA
MORNING POST in English 22 Dec 89 p 6

[By Daphne Cheng and Shirley Yam]

[Text] Civil servant association leaders yesterday warned that the limited British nationality package for Hong Kong would deal a further blow to their diminishing morale.

They said the British Government announcement is doomed to divide the civil service as it is devoid of details on who and how many among their ranks will benefit.

The Director of Administration, Mr Tsang Yam-kuen, yesterday failed to dispel the civil servants' worries as his briefing for them had hardly gone beyond the statement by the Foreign Secretary, Mr Douglas Hurd, to parliament.

The chairman of the Senior Civil Servants Council, Mr Kwok Yuen-hon, said the staff associations were only told that they would be consulted on the points system for vetting applications.

Dismissing the package as disappointing, the head of the Federation of Civil Service Union, Mr Michael Siu Yin-ying, expressed fears that junior government employees would be left out of the scheme.

Senior staff associations have already been engaged in a war of words with their junior counterparts over who among them should be given priority.

The chairman of the Modern Scale One Staff Consultative Council, Mr Fung Siu-ming, quoted Mr Tsang as saying that rank would not be a qualifying criteria.

Instead, Mr Tsang told the associations that years of service would be a consideration in the points system.

However, Senior Non-Expatriate Officers Association spokesman, Mr Albert Lam, questioned how the administration could weigh an individual's importance to the Government without considering rank in the points system.

"The administration said wastage rate and practical need would be the criteria in allocating points. But if the higher ranks are not given a higher score, how would they determine the contribution of individuals to the service?" Mr Lam said.

The chairman of the Police Inspectors' Association, Mr Li Shu-fung, said they were disappointed after a 20-minute session with Mr Tsang.

He said London should have carried out Clause 25 of the Nationality Act which allows civil servants to apply for British citizenship.

"If London was sincere in retaining the civil servants' confidence, they should encourage such applications and process them quickly. Why do they have to go through all this trouble of new legislation which parliament might reject?"

Mr William Ko Chan-gock, chairman of the staff side of Senior Civil Service Council, accused Britain of using delaying tactics by announcing a package devoid of details.

Another representative, Mr Kwok Yuen-hon said: "The ceiling of 50,000 households cannot cover the disciplined services alone. We hope that the package is a start for the other countries to offer similar assurances for Hong Kong."

Meanwhile, the chairman of the 170,000-strong Federation of Trade Unions, Mr Cheng Yiu-tong, expressed fears that the scheme would lead to another confidence crisis as most people will be left out.

Business Groups To Lobby Harder

HK2212022189 Hong Kong SOUTH CHINA
MORNING POST in English 22 Dec 89 p 7

[By Simon Macklin]

[Text] Business groups yesterday pledged to step up their lobbying of the British Government in an attempt to help shape the legislation which will provide right of abode in the U.K. for 225,000 Hong Kong citizens.

A spokesman for the Honour Hong Kong group said it was hoped the British Government would ensure that the criteria was as "flexible and as helpful as possible".

It was hoped that all professional, managerial and technical staff would have the opportunity to benefit from the nationality package announced on Wednesday night.

And that those who did not achieve the right to a full British passport might be able to benefit from a passport provided from some other country, he said.

The Honour Hong Kong group welcomed the package outlined by the Foreign Secretary, Mr Douglas Hurd, but would continue to lobby for passports for all 3 1/4 million Hong Kong British citizens.

Meanwhile, senior British Trade Commissioner, Mr Peter Heap, said the details of which type of profession or job would help people acquire the passports had yet to be decided.

The British Government was anxious to maintain Hong Kong as an international business centre, he added.

"The purpose of the whole package is to keep Hong Kong as vibrant and as successful as it was in the past."

But Mr Heap said British companies which had offices in the U.K. and the territory were bound to benefit from the proposals.

The chairman of the Hong Kong General Chamber of Commerce, Dr Helmut Sohmen, said he welcomed the package although it did not meet all the expectations of members of the chamber.

Dr Sohmen said the package was a "good first step" towards stemming the brain drain from Hong Kong especially in light of the difficult political situation faced by the British Government on this issue in the House of Commons.

The package would help Hong Kong retain many of those in essential positions whose departure from the territory could cause difficulties.

"The chamber applauds the Prime Minister's determination and hopes that the British Parliament will see fit to endorse these proposals in full," Dr Sohmen said.

"The chamber and its members are committed to working for the ongoing stability and prosperity of Hong Kong and see this measure as a positive move to convince more people to remain in the territory."

The executive director of the British Chamber of Commerce, Mr Barrie McWhirter, admitted his members had been hoping for more.

"However, we welcome this as a first step but we certainly hope more will be done."

Members of the chamber had written to the Prime Minister and Foreign Secretary calling for the right of abode to be given to Hong Kong people and would continue their campaign.

But Mr McWhirter admitted many of his members were likely to benefit from the proposal to allow British companies to sponsor Hong Kong citizens to work in the U.K. for a short period so as to qualify for full nationality.

Editorial Examines Package

HK2112034189 Hong Kong SOUTH CHINA
MORNING POST in English 21 Dec 89 p 22

[Editorial: "Thatcher's Big Gamble on Nationality Package"]

[Text] When a British Government has bad news to announce, such as closing down a few collieries or shutting a shipyard, it usually waits until just before Christmas, when it can reveal the details to a House of Commons with one eye on the forthcoming holidays, and then Cabinet ministers can make a quick run for cover in their country homes. For that reason, the worst was expected when it became known that the Foreign Secretary Mr Douglas Hurd was to unveil the long-awaited nationality package for Hong Kong the day before the Christmas recess.

It is therefore something of a relief that the scheme outlined by Mr Hurd is not as mean and restrictive as had been feared. While it will be attacked as divisive and

inadequate by those pressing Britain to accept moral responsibility for all 3.25 million Hong Kong British passport holders, the significance of a package which offers up to 225,000 full British passports should not be underestimated. There is no historical precedent in Britain for a passports offer on this scale, as many members of Parliament will point out when they oppose the proposed legislation on its way through its various stages next year.

It is a considerable gamble by both the British and Hong Kong Governments to support such a scheme. The Prime Minister, Mrs Margaret Thatcher, is taking a risk that it will provoke a sizeable revolt among her own supporters at a time when her popularity has hit a 10-year low. If they combine with the opposition Labour Party and other minority parties to oppose the passage of the legislation, it could prove to be a bitter struggle for the ruling Conservative Party. Her new Home Secretary, Mr David Waddington, who is a former Chief Whip responsible for internal party management, will have given her plenty of warning about the trouble she faces from recalcitrant MPs, who have already voiced their fears over large-scale immigration. There are still many votes to be won in inner-city communities in Britain which have suffered from racial disorders in the last decade. It is known that Mr Waddington argued for a lower figure of passports to be offered to Hong Kong, but was overruled by Mrs Thatcher and Mr Hurd.

For the Governor of Hong Kong, Sir David Wilson, it also represents a large gamble. He has been successful in persuading Mrs Thatcher and her Cabinet that the scheme offered will encourage Hong Kong people to stay here, rather than triggering off a rush to emigrate to Britain as soon as passports are granted. The whole strategy of the package is to appeal to the key workers needed to keep Hong Kong running in the difficult days up to 1997, and to arrest the fast-growing emigration trend caused by fading confidence in the future of the territory under Chinese rule. If all 225,000 people who acquire British passports under this scheme still decide to leave Hong Kong, it will have been an abject failure in its intention to provide an "insurance policy" rather than an instant escape route.

This purpose must be fully understood by the Chinese authorities. If they misunderstand the aims of the scheme, and condemn it as a British plot to bleed Hong Kong of some of its most talented people, or as an attempt to retain British influence in the territory after the transfer of sovereignty by boosting the number of its passport holders, it will not have the desired effect of boosting confidence in the territory and thereby reducing the brain drain.

It will of course be many months before any scheme can become law. In that time there will be ample opportunity to press for improvements in the proposals outlined by Mr Hurd, and campaign groups will no doubt be hoping to influence legislators. In particular, public sector unions can be expected to protest that their interests are

not sufficiently protected by the suggested scheme, and in that sense the innate divisiveness of it will be made more apparent.

Mr Hurd in his Commons address made reference to seeking support from other countries for similar "delayed action" passport schemes, as an additional way of halting the brain drain. That will be of great interest to many in Hong Kong who will not qualify under the terms of the proposed scheme, in that Britain's lead may be followed by other Commonwealth countries such as Canada and Australia. Britain, on its own, cannot deliver a larger number of passports because of the political realities in that country. Hong Kong is now much more familiar with that factor, and its people should now concentrate on the art of the possible rather than pursuing impossible principles.

XINHUA Office Ignores Legislators' Views

*HK2112024389 Hong Kong SOUTH CHINA
MORNING POST in English 21 Dec 89 p 5*

[By Shirley Yam and Kent Chen]

[Text] Officials from China's de facto embassy, the New China News Agency (NCNA), have snubbed an attempt by a group of district board members to give their views on the post-1997 political system.

Six Kwai Tsing District board members yesterday tried to deliver a letter signed by 21 members, urging China to heed Hong Kong people's view for a speedier pace of political development in deciding a political model for post-1997 Hong Kong.

In an open letter to the president of the Standing Committee of the National People's Congress (NPC), the district board members criticised Basic Law drafters for endorsing a go-slow political model in Guangzhou last week.

But NCNA officials refused to receive the letter from the representatives, including its chairman, Mr Lee Wing-tat, and Mr Chan Wai-yip, who is also a vice-chairman of the Regional Council.

During last week's Basic Law political sub-group meeting in Guangzhou, drafters, mostly from the mainland, decided to freeze for 10 years the number of directly elected seats, which would be kept at 30 percent, or 18 seats, of the post-1997 legislature.

This was criticised by the district board members as undemocratic and disregarding the views of Hong Kong people.

They pointed out that suggestions of the drafters regarding the clauses in the draft Basic Law would seriously undermine the successful implementation of the "one country, two systems" concept and China's promise of a high degree of autonomy for Hong Kong.

Spokesman Mr Chan rejected the view that the future legislature should be dominated by the business sector, professionals and those who maintained a close relationship with China.

"Such a legislature will not be accepted by the vast majority of the public and would lead to antagonism between the Government and the public, causing social unrest," he warned.

The members called on the Standing Committee of the NPC to order drafters to conduct an opinion survey in Hong Kong to gauge public opinion.

Meanwhile, a major liberal pressure group, Meeting Point, yesterday also criticised the local Basic Law drafters for failing to protect Hong Kong people's interests in their latest rounds of meetings in Guangzhou.

Its newly-elected chairman, Dr Cheung Pin-leung, said mainland drafters had apparently adopted a defensive approach by inserting an anti-subversion clause into the draft Basic Law and endorsing a separate voting mechanism for the legislature.

"It's irrational for the drafters to adopt the proposal for a separate voting mechanism, which is doomed to result in social conflicts, before working out its details," Dr Cheung said.

The drafters had failed to settle more controversial issues, such as the composition and status of the proposed influential Election Committee, which would be responsible for the elections to the legislature and the nomination of chief executive, he said.

Dr Cheung said: "If the local drafters had fought for Hong Kong's interests, it is hard to apprehend why these unreasonable and unfair amendments have been endorsed."

Lu Ping Views Future of Szeto Wah, Martin Lee

HK2312025989 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 89 p 3

[By Chris Yeung]

[Text] Leading liberals and elected legislators, Mr Szeto Wah and Mr Martin Lee Chu-ming would be barred from sitting on the post-1997 legislature if they did not repudiate their anti-Chinese Government stance, according to senior Chinese official, Mr Lu Ping.

He also said Beijing would not endorse their appointment as the chief executive for Hong Kong after 1997, even if all the qualified voters voted in support of them.

Mr Lu, a deputy director of the State Council's Hong Kong and Macao Affairs office, made the remarks while attending a Basic Law meeting in Guangzhou earlier this week.

Mr Szeto and Mr Lee were expelled by China from the Basic Law Drafting Committee in October because Beijing considered they had "indulged in many actions incompatible with their status of members of the committee since June".

Among their activities was their leadership of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, which was deemed by Beijing as subversive.

Mr Lu said the two would neither be able to become head of the future special administrative region (SAR) nor sit on the legislature because they did not support the Basic Law.

According to the Basic Law draft, the chief executive should be elected through consultation locally and be appointed by the Central People's Government.

Apart from the relevant requirements, pre-1997 Legislative Councillors will only be allowed to serve beyond the sovereignty transfer if they "support and meet the requirements in the Basic Law, are willing to serve the SAR", and upon confirmation by a China-appointed preparatory committee for the setting up of the SAR.

Mr Lu's remarks are likely to deal a blow to the plan of a group of leading liberals, most of who are also at the helm of the Alliance, to develop a territory-side party under the banner of the United Democrats of Hong Kong.

Both Mr Lee and Mr Szeto are expected to play an active role in the new group.

Asked if the United Democrats of Hong Kong would be seen as subversive because of its dual membership, Mr Lu stressed it was the group's platform that counted.

Organisers of the new group have indicated that their prime concern was Hong Kong affairs and would be separated from the cause of the Alliance.

A local drafter said he was not surprised at Mr Lu's statement.

"They were not even allowed to continue to sit on the drafting body. Do you expect China to allow them to sit on the SAR legislature and even become its chief executive?" he asked.

Officials Review Joint Declaration Process

OW2112063489 Beijing XINHUA Domestic Service in Chinese 1251 GMT 18 Dec 89

[Text] Hong Kong, 18 Dec (XINHUA)—The Sino-British Joint Declaration was officially signed on 19 December 5 years ago. On the eve of the fifth anniversary of the signing of the declaration, this reporter interviewed several people from Hong Kong. Some took special trips to Beijing 5 years ago to participate in the signing ceremony. They were witnesses of the historical event. These prominent people expressed to this reporter

their earnest wishes and confidence in China and Britain truthfully carrying out the Joint Declaration and in maintaining Hong Kong's prosperity and stability.

He Shizhu, member of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] and member of the Hong Kong Legislative Yuan, said that the Sino-British Joint Declaration was a good agreement, and that implementation of the declaration had been fine early this year. He said: Disturbances in Beijing last June have had some impact on Hong Kong. However, had a very small number of people in Hong Kong not taken advantage of the incident to make trouble for their personal purposes, the disturbances would not have been so serious. In retrospect, it seems that it is especially important to perceive things in Mainland China by the principle of one country, two systems. He Shizhu hoped that both China and Britain would strictly carry out all the stipulations of the Joint Declaration, and continue their friendly cooperation. He said: China should work out a set of good basic laws, and Britain should not allow people in Hong Kong to use various excuses to stir up disturbances. Besides, Britain should consult with the Chinese Government in resolving problems concerning Hong Kong. This is a matter between China and Britain, and has nothing to do with other countries.

Tan Yaozong, vice chairman of the Hong Kong Federation of Trade Unions and member of the Hong Kong Legislative Yuan, said: Signing the Joint Declaration was beneficial to China and Britain, as well as Hong Kong. This is a practical and farsighted way to solve the Hong Kong issue. Facts have shown that the Joint Declaration can withstand the trial of time. Although recently China and Britain have held different views on some issues, leaders of both sides have pledged to continue to carry out the Joint Declaration.

Li Fushan, member of the Hong Kong Basic Law Drafting Committee, 5 years ago attended the ceremony for the signing of the Sino-British Joint Declaration. He said: The Joint Declaration is a document to preserve Hong Kong's advantages, prosperity, and stability. It is not a document to launch massive reforms. Except for changing the colonial nature of Hong Kong, things there should not be changed too quickly. The Hong Kong Basic Law should reflect this spirit of the Joint Declaration, and should be designed to provide maximum preservation to the merits of Hong Kong's existing political, economic, legal, and other social systems. Li Fushan believed that the silent majority in Hong Kong, who had been unable to express their views through the mass media, hoped to live and work in peace and preserve the existing advantages of Hong Kong. He said progress in drafting the Hong Kong Basic Law in the last few years had been satisfactory, and the great majority of the articles of the Draft Basic Law was also satisfactory.

Liao Yaozhu, deputy to the National People's Congress [NPC] and member of the Hong Kong Basic Law Drafting Committee, who went to Beijing as an ordinary

Hong Kong resident 5 years ago to attend the ceremony for signing the Sino-British Joint Declaration, was very excited when she talked about the historical agreement. She said: Hong Kong is an international trade and financial center. It should protect foreigners' economic interests in Hong Kong, and convince them that their economic interests will be protected when they do business and grant loans in Hong Kong. Only by doing so can Hong Kong preserve its prosperity and stability and ensure that political power will be transferred smoothly.

Liao Yaozhu said: I am a Hong Kong regional deputy to the NPC. I live in Hong Kong, but I have the whole country in mind. We people living overseas do not understand very well some events in Mainland China. As a result, we tend to be emotional when expressing our concern about things happening in mainland China. She hoped Mainland China and Hong Kong would increase communications and mutual understanding.

Jian Fuyi, member of the Hong Kong Basic Law Counseling Committee, attended the ceremony for signing the Sino-British Joint Declaration. He said: After the Joint Declaration was signed, the real estate market in Hong Kong became more active, the stock market began to rebound, and social confidence also began to resume quickly. He pointed out that, whether it is before or after 1997, Hong Kong will be unable to maintain its prosperity if it lacks a stable environment.

Acquitted April 5th Activists To Sue Government

*HK1912012589 Hong Kong SOUTH CHINA
MORNING POST in English 19 Dec 89 p 1*

[By Daphne Cheng]

[Text] The April 5th Action Group yesterday said it planned to sue the Government just hours after seven of its members were acquitted of charges relating to a demonstration against celebrations for the anniversary of the People's Republic of China.

The group said it would file a civil suit seeking damages for injuries suffered by several members during a clash between protesters and the police.

Lau Wing-kam claims he suffered permanent damage to an eye.

The group said it was also considering filing a criminal case against the police for using force against members during the demonstration in Causeway Bay on September 29.

It accused the police of making wrongful claims that the group was the first to use force.

It was seeking legal advice on other possible civil action.

The group's spokesman, Mr Francis Lau Tse-lim, said a few members were sacked after being identified for having participated in the protest.

One of them, publication editor, Sonny Mui Chi-tak, said he was laid off after being detained for two days.

He said the reason for the dismissal was that he had failed to turn up for work on those two days.

The seven were acquitted by magistrate, Mr Ian Carlson, of a joint charge of unlawful assembly.

The defendants were Lau Wing-kam, 36, a teacher; Mui, 21; Lee Hoi-tong, 37, a mechanic; Lai Siu-chun, 29, a garment worker; Hui Wai-yeung, 37, a teacher; Leung Kwok-hung, 33, a labourer; and Chan Sze-kuen, 34, a tutor.

Mr Carlson ruled that while he was satisfied that the demonstration constituted an unlawful assembly, there was no evidence that the seven, who admitted being present, were acting unlawfully despite there being elements in the crowd who behaved badly.

The confrontation occurred when demonstrators who had twice been told they could go to a good vantage point, were stopped metres from their goal by Chief Superintendent Michael Prew, the senior officer at the scene.

He said it was not surprising that when demonstrators reached the police barriers they should get agitated.

Superintendent Prew yesterday declined to comment on whether the police had done anything wrong.

"It's an operational matter and it would be wrong for me to comment," he said.

On the court ruling, Superintendent Prew said: "It was a fair trial. We established that there was a case to answer. We did our best to give evidence.

"The rest was up to the judiciary to decide on the legal aspect."

As the magistrate came into court to give his verdict, members of the action group filling the public gallery, shouted: "Assembly is not unlawful. We protest against political persecution."

Their counsel had argued that the trial was politically motivated as shown by a letter from the Political Adviser, Mr William Ehrman, to Mr Ji Shaoxiang of the NEW CHINA NEWS AGENCY (NCNA).

Mr Carlson, however, said he had decided the trial should proceed because Mr Ehrman's letter, which was published in the SOUTH CHINA MORNING POST, was written on October 23, long after the court proceedings had begun on October 2.

He held that Mr Ehrman, in stating that members of the action group had been arrested when explaining the Hong Kong Government's position against allowing the territory to be used as a base for subversive activities,

was only setting out what has always been the position—that the law will be applied equally to all individuals and groups.

However, the April 5th group's spokesman said the court ruling "could not cover up the Government's intention to politically persecute us."

He claimed after the letter was revealed the Government was forced to release them due to public pressure and because it wanted to be seen to have an independent judiciary.

Political scientist, Dr Joseph Cheng Yu-shek, said: "The result demonstrates that we still fully enjoy judicial independence."

Human rights expert, Dr Nihal Jayawickrama, said the case had come dangerously close to representing political persecution.

"It had all the appearances of a political persecution right from the beginning when they were selectively picked out for prosecution, and the police went to extraordinary measures like raiding the television stations for tapes and finally when the Political Adviser informed the Chinese Government of the fact," he said.

He said Mr Ehrman had used the arrests as an assurance to the NCNA of the Government's policy of not allowing Hong Kong to be used as a base for subversion.

"We should be thankful that political prosecutions suffer this fate," he said.

He said it underlined the need to review police powers under the Public Order Ordinance.

"This case seems to be an instance where police powers have been misused because a group was selectively picked for special treatment and that is something that can be questioned.

"It calls into question the authority of the Commissioner of Police and the powers of the police which will all need re-examining in the light of the Bill of Rights," he said.

The April 5th group said the outcome of the court case shows the Public Order Ordinance's power in restricting people's rights to take part in public assembly and demonstrations.

Renewing its call for the law to be repealed, the group's spokesman said: "If the ordinance is not withdrawn, the public will never be guaranteed their basic rights."

Editorial Examines Acquittal

HK1912012789 Hong Kong SOUTH CHINA MORNING POST in English 19 Dec 89 p 28

[Editorial: "Justice Caught in Political Crossfire"]

[Text] Seven members of the April 5th Action Group were cleared yesterday of unlawful assembly, but the

arguments over the case show no sign of abating. While some will see the outcome as a grave embarrassment for the police, others will hail it as proof of the independence of Hong Kong's judicial system. Those acquitted now plan to sue the authorities, and will no doubt seek to extract maximum mileage from the ensuing publicity.

A total of 46 witnesses, a two-hour police videotape and news film obtained, under duress, from local television stations were insufficient to provide the proof needed to convict the defendants. The magistrate was in no doubt that there was an unlawful assembly in Causeway Bay on the night of September 29, but the police were unable to convince him that those arrested—not simply on that night, but also in subsequent days—were among those who tried to break through a cordon preventing demonstrators reaching a reception given by the NEW CHINA NEWS AGENCY (NCNA) to mark China's national day.

Police handling of the incident and its aftermath has come under critical scrutiny since the SOUTH CHINA MORNING POST published the contents of a letter from the Political Adviser, Mr William Ehrman, to an NCNA official spelling out Hong Kong's policy on activities within the territory which China may consider subversive. At that time we pointed out the dangerous confusion of executive and judicial powers that would be implied through associating police action with assurances to China on political activities.

It allowed the April 5th activities to claim that their prosecution was Hong Kong's equivalent to a political "show trial", although the sitting magistrate rejected this allegation. Those looking for a silver lining out of this messy episode will argue that the acquittal demonstrates to China, at a particularly sensitive time, that the judiciary is free from Government pressure. Other more cynical souls will wonder whether or not hard-liners in Beijing, given their very different approach to justice, will still suspect stage-management and deplore the lack of successful convictions.

A group like April 5th which thrives on anti-establishment publicity is bound to irk police and security chiefs; however, it is one of the blessings of a democracy that they have to be allowed to exercise their rights as citizens under the law. Heavy-handed or clumsy reaction from the police will not only provide such activists with ammunition for allegations of persecution, but may also bestow disproportionate importance on a very small group, with the risk of turning them into popular martyrs. Neither the Hong Kong nor the Chinese governments would thank them for that development.

126 Boat People Voluntarily Leave for Vietnam

OW2112181789 Beijing XINHUA in English
1508 GMT 21 Dec 89

[Text] Hong Kong, December 21 (XINHUA)—A group of 126 Vietnamese boat people who wanted voluntarily to return to their country were repatriated today.

This is the seventh batch to go back under the voluntary repatriation scheme.

The repatriated group comprised 46 men, 31 women, 28 boys and 21 girls.

So far a total of 757 Vietnamese boat people have returned voluntarily.

Territory, Guangdong Sign Water Supply Agreement

OW2112182289 Beijing XINHUA in English
1450 GMT 21 Dec 89

[Text] Hong Kong, December 21 (XINHUA)—A long term-water supply agreement between the Hong Kong Government and the Guangdong Provincial People's Government was signed here today.

Under the agreement, the quantity of annual total water supplied by Guangdong to Hong Kong will increase to 1,100 million cubic meters by 2008.

The Guangdong Provincial People's Government agrees to further expand the existing East River water system which supplies water to Hong Kong so as to achieve the goal.

The extension project will totally cost about 1.7 billion yuan (reminbi) (361.7 million U.S. dollars) which will be raised by both Hong Kong and Guangdong.

The agreement stipulates that the Hong Kong Government will provide the Guangdong Provincial People's Government with an advance of water charges amounting to 1,580 million H.K. dollars (202.56 million U.S. dollars) free from paying interest for the extension project [sentence as received].

The extension project is expected to be completed in 1994. Beginning from 1995, Guangdong will increase the quantity of its water supply to Hong Kong by 30 million cubic meters every year.

Considering the rising prices index, the two sides agree that water prices will increase by 11 percent annually commencing from 1991 to 1993.

The agreement was signed between Secretary for Works of the Hong Kong Government Kenneth Kwok and Director of the Guangdong Provincial Bureau of Water Conservancy and Hydro-Power Guan Zongzhi.

Guan Zongzhi told reporters today that since 1964 the total water quantity supplied by Guangdong to Hong Kong has amounted to 4,700 million cubic meters, about 400 million cubic meters more than that of the planned [quantity].

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